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THE OUTLOOK FOR FARM FAMILY LIVING IN 1939

Summary

For the country as a whole, net cash income available to farm families for living expenses and getting ahead financially may be somewhat higher in 1939 than in 1938.

Net income from farm marketings is expected to be higher in 1939; gross receipts should increase, following an anticipated increase in demand for farm products, and production expenses are expected to remain at approximately 1938 levels. Income from Government payments, including price adjustments to cooperators with the 1939 program, probably will exceed the 1938 payments. The income that farm families receive from nonfarm sources may be a little higher in 1939, with improving business conditions. Altogether then, it is probable that the total net money income of farm families from marketings, Government payments, and nonfarm sources will be somewhat larger in 1939 than in 1938.

As incomes rise, farm families tend to spend part of the increase for living but they apply a larger share than do city families toward getting ahead financially--paying off debts and making investments, especially in the farm business. Any general improvement in farm income, therefore, will tend toward bettering the general net worth situation of families, particularly among those with net money incomes of \$600 and more. Below this income line, farm family living has first claim on funds and only the small family with a goodly supply of farm-furnished food can devote cash to increasing its net worth.

Levels of living possible for farm families depend in part upon their potential purchasing power (their net money income), though the urgency of demands of the farm business and the burden of debt the family faces affect its decisions as to how it will use its money. The value of farm-furnished housing, food, fuel, and other products also plays an important part in determining the plane of living achieved. Dollar for dollar, the family's money income is expected to stretch about as far next year as this since the general level of prices of commodities bought for living is not expected to change much in 1939 from late 1938. After a year of limited spending power, many farm families may plan to enlarge their programs of food production for home use in 1939, thus releasing cash for other purposes. Even with a large home-production program, food still tends to make the major demand on the cash for living.

During the 1930's there has been a trend toward broadened social contacts for farm families through improved transportation and communication. Better roads, more widespread ownership and greater use of automobiles, and increased numbers of radios have contributed to this development. About three-fifths of all farm families now have radios and there is likelihood of a further increase in ownership in 1939 with the anticipated improvement in income and greater availability of electricity.

While relatively more city than farm families own radios, there is evidence that the situation in regard to automobile ownership is reversed and that the proportion of car-owning families on farms outstrips that in cities. Automobiles were owned by more than 85 percent of the native-white nonrelief families of farm operators included in a 1935-36 study of family living, except in the Southeast and in Vermont. Even in these areas the percentage exceeded 60.

Farm Family Living

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Many of the cars of these farm families had been bought in the used-car market--about two used cars to each new one bought during that year--but new or used, they enabled farm families to have a more interesting and varied life than two decades ago.

Trends toward more comfortable living are evidenced by electrification and other improvements of farm homes and by purchases of household equipment that lightens labor. Electricity now is used on 18 percent of all farms as compared with 13 percent in 1930. These trends bid fair to continue in 1939--in part because of the Government program of encouraging rural electrification, and in part because of anticipated income increases.

Ways of spending of farm families are being changed by these new ways of living. In two-thirds of the farm areas included in a 1935-36 study of family living, expenditures for the purchase and operation of the family car took about one-sixth of the aggregate expenditures for all living of nonrelief native-born, white families of farm operators--both those having and those not having automobiles. A 1922-24 study showed less than one-tenth allocated to the family's use of the automobile. Increased expenditures for the automobile and household operation tend to crowd clothing expenditures to the fourth place in order of amount, with food still ranking first.

Careful financial management is important if the farm family is to buy these new goods and services. In stretching their funds for these purchases, farm families are becoming more conscious of their buying problems. Along with city families, they are showing an increasing interest in consumer education and protection and in consumer organizations. This trend is expected to continue.

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FARM FAMILY INCOME

Farm families are expected to be better off in 1939 than in 1938 because of the anticipated improvement in general business conditions and consequently in demand for farm products. Any widespread betterment of the economic situation will mean not only larger returns from farming but the possibility of increased income from nonfarm sources.

Net Cash Income from Farming in 1938,
and Outlook for 1939

Income from farm marketings is expected to be somewhat higher in 1939 than in 1938, because of the anticipated increase in industrial activity and national income. Income from Government payments in 1939, including price-adjustment payments to those who cooperate in the 1939 program, also is expected to exceed Government payments in 1938. It is anticipated that these increases in gross cash receipts in 1939 will be accompanied by little change in farm-production expenses from those of 1938, so that net cash income from farming is expected to be materially higher in 1939 than in 1938.

Gross income of farmers from marketings of farm products and from Government payments for the calendar year 1938 is estimated at approximately 7,500 million dollars. This is about 13 percent lower than the corresponding figure of 8,600 million dollars for 1937, and 6 percent lower than the 1936 figure. However, it is higher than that of any other year since 1930. Proportional decreases in expenditures for production were smaller than in gross receipts from marketings in the period from 1937 to 1938, although farmers were able to reduce their total farm-production expenses slightly in 1938, because of a moderate decline in prices of commodities and services used in production, together with some curtailment in purchases. Hence, net cash income from agriculture declined proportionally more from 1937 to 1938 than did gross income.

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Gross Income from FarmingGross income from marketings in 1938,
and outlook for 1939, U. S. as a whole

The decline in income from farm marketings in 1938 has been more pronounced for crops than for livestock and livestock products. During the first half of 1938, marketings of crops were somewhat larger than a year earlier, but this was more than offset by the marked decline in prices. Income from sales of crops during this period was 20 percent below the corresponding months of 1937. Marketings of cotton and fruit during the latter half of the year will be somewhat smaller than in 1937, but marketings of wheat and other grains will be larger. Because of the reduction in prospective sales of many crops and the marked decline in prices, farm income from crops is expected to continue somewhat below the 1937 level through the remainder of 1938.

Farm income from livestock and livestock products in 1938 is somewhat higher than in 1937, due largely to the increase in output of dairy products and the increased volume of hog marketings. Although prices of nearly all livestock and livestock products have been somewhat lower than a year earlier, this has been partly offset by larger volume of sales.

Improvement in farm income in 1939 is likely to be associated with those commodities which enter rather directly or immediately into consumption. Production of livestock and livestock products is expected to continue upward and to be larger in 1939 than in 1938. With an upward trend in consumer incomes, it is probable that these larger supplies will result in more farm income from these sources than in 1938. Fruit and vegetable crops in 1939 may also be larger than the moderate sized crops of 1938, and income from these products should be higher.

The less perishable crops, such as grains, cotton, and tobacco, require more processing and may be carried over from season to season. In 1939, income from these crops will be influenced somewhat by large carry-overs now in prospect. Moreover, the prices of several important commodities recently have been supported by Government loans or purchases above the levels that would have prevailed under normal supply-and-demand conditions. Prices of these commodities, therefore, are not expected to reflect immediately and fully the improvement in demand.

Income from marketings in 1938, and
outlook for 1939, by regions

North Atlantic States.— Income from marketings in the North Atlantic States in the first 8 months of this year was only slightly lower than in the corresponding period last year. Most of the cash farm income in this region is obtained from sales of dairy and poultry products. However, in areas that specialize in tobacco, potatoes, apples, and truck crops, income is considerably lower than a year earlier.

As these States are a deficit feed-producing area and as feed prices in 1938 have been considerably lower than a year earlier, it is probable that the decline in gross income will be reflected in net income less than in most other regions of the United States. Because of the importance of the production of whole milk and poultry products, the farm income of this region probably will reflect any improvement in consumers' incomes in 1939.

East North Central Region.— In this region, receipts from farm marketings in the first 8 months of 1938 were about 10 percent below the same period of 1937; they may show a smaller percentage difference in the last 4 months. Because of the importance of livestock and livestock products in the total farm income of this region, any improvement in industrial activity should be reflected in increased farm income. In the early months of 1939 farm income probably will be at least as high as in the corresponding period of 1938.

West North Central Region.— Crops in this region in 1937 and 1938 have been more nearly normal than for several years, and have been accompanied by a marked increase in numbers of livestock and in output of livestock and livestock products. During the first 8 months of 1938, income from farm marketings in this region was only about 5 percent below the same period of 1937. With larger feed supplies and increased livestock numbers it is probable that this region in 1939 will increase its output of livestock and livestock products more than other regions, and will receive a larger proportion of the United States gross cash income from farming than in the last few years.

South Atlantic Region.— The major portion of the income in the South Atlantic States is obtained from crops and a large part of the annual return is received in the last 5 months of the year. Because of the smaller cotton crop and lower prices of most of the important crops produced in this region, income in the latter months of 1938 is likely to be somewhat below that of the same period in 1937. However, with an upward trend in consumer incomes in prospect, it is probable that in the early part of 1939 the fruit, vegetable, and truck crops will yield a larger income to farmers in this region than in 1938.

South Central Region.— In this region also a large share of the annual income is received in the last 5 months of the calendar year. Receipts from farm marketings during the first 8 months of 1938 were only 5 percent below the total for the same months of 1937. The output of important crops in 1938 was somewhat lower than in 1937. With prices now lower than a year earlier, present conditions indicate that income in this region will be lower during the remainder of 1938 and the early months of 1939, than in the corresponding period a year earlier.

Western States.— Farm income in these States increased much less than seasonally from January through August, and in August was nearly 30 percent lower than a year earlier. However, this lower income has been due in part to favorable feeding conditions which have retarded the movement of livestock to market. Livestock probably will move to market this fall in better condition and in larger volume than in recent years. This, together with the prospect for some improvement in the demand for fruits and truck crops from this region, should result in a greater than seasonal improvement in farm income during the remainder of 1938 and the early months of 1939.

Income from Government payments in 1938,
and outlook for 1939

Income from Government payments for the country as a whole in the first 8 months of 1938 totaled \$309,000,000, and was 11 percent smaller than the \$346,000,000 of the same period of 1937. During the last 4 months of 1937, Government payments amounted to about \$21,000,000; they are expected to be larger in the last 4 months of 1938.

Income from Government payments in 1939, including price adjustment payments to cooperators with the 1939 program, is expected to exceed Government payments in 1938.

Income from Nonfarm Sources

Net money income from farming is supplemented by varying amounts of money income from nonfarm earnings, from rents, pensions, interest, and other sources. Data are not available to show the magnitude of this income in 1938, but some indication of its importance is afforded by two recent studies. A survey ^{1/}, preliminary to the 1940 Census of Agriculture,

^{1/} Made by the Bureau of the Census, Department of Commerce and the Division of Crop and Livestock Estimates, Department of Agriculture, in January 1938; 3,000 farms in selected counties of 40 States were included.

showed that on the farms covered by the survey about one farmer in three had income from nonfarm sources in 1937. About one-fourth of those having such income received less than \$100 each; another fourth from \$100 to \$300. The average for those having such income, \$573 per farm, is higher than the median of \$300, owing to the large incomes from nonfarm sources obtained by some farmers.

These figures on income of farmers from nonfarm sources are in line with those for 1935-36 obtained in the Consumer Purchases Study 2/ of the Bureau of

2/ This study covered a random sample of native-born nonrelief families of farm operators in 66 counties selected to represent different type-of-farming areas.

Home Economics. Although the greater part of the net cash income of these farm families came from farm operation, the receipts from nonfarm earnings, investments, and other sources averaged 25 percent or more of aggregate net cash income in 11 of the 20 groups of white operators studied. For all such families included in these 11 groups (whether or not they had received income from nonfarm sources), the average net nonfarm receipts per family ranged from \$61 in counties of North Dakota to \$678 in Southern California. Negro farm operators in the Southeast, and sharecroppers both white and Negro, reported net cash nonfarm receipts averaging less than \$50 per family.^{3/}

3/ In using these figures it should be remembered that the exclusion of foreign-born, of Negroes (except in the Southeast) and other colored races, of broken families, of families on farms where they had not lived for a year, and of farm laborers, tended to eliminate some of the lowest income families. In addition, the areas, chosen as being well adapted to a specific type of farming (as cotton or wheat) often were not typical of the State as a whole but represented better farm land than the average.

Members of many farm families in 1938 had income from employment on projects of the Works Progress Administration and some young people from farm homes received assistance from the National Youth Administration. Figures for

such employment are not available for rural areas separately from urban. The recent WPA ruling that makes workers in the South with incomes below a specified minimum eligible for WPA employment without prior certification for relief, probably will enable many farm households thus to supplement their incomes in the next few months.

Many farm families in 1938 also benefited from other relief programs. Emergency grants for subsistence by the Farm Security Administration, however, were almost 50 percent smaller in the first 6 months of 1938 than in the corresponding period of 1937.

Rural areas also have shared in the rapid development of special types of public assistance, as old-age assistance, aid to dependent children, and aid to the blind. The amounts received by farm families from these sources cannot be estimated.

Nonmoney Income of Farm Families

Although farm families ordinarily aim for large money incomes, since they live in a money economy, nonmoney income from products furnished the family by the farm is a factor of great significance in determining their levels of living. Not only does home-produced food help to insure better diets but by the use of farm-furnished food and other products more cash is released for other purposes and families are thus enabled to buy more of the goods and services they do not produce.

According to estimates of the Bureau of Agricultural Economics, 1,250 million dollars' worth of food and fuel were retained in 1938 for consumption by farm families. On the whole, 1938 was a good year for gardens, and for feed crops for poultry, dairy cows, and meat animals, and considerably more food was reserved for home consumption than in 1937. The lower prices at which its monetary worth was estimated result in a lower money value figure than in

1937. However, the use-value of the farm-furnished goods to the family does not diminish with decreased market values. A goodly proportion of the supplies produced in 1938 will be stored to contribute to the well-being of the family in the early months of 1939. It is probable that families will tend to plan for generous home-production programs in 1939, following a year of reduced money resources for family living.

Beginning in 1935, families on relief or certified by local agencies as needy, have received food supplies purchased by the Federal Surplus Commodities Corporation and distributed through State welfare agencies. It is estimated that about 20 percent of all families now receiving these products live on farms. Reports show that about 48 million dollars' worth of commodities were distributed to families in the period July 1937-June 1938, and that families receiving these products were given an average of about 50 pounds of products each month. It is expected that about twice this amount will be distributed in the fiscal year 1938-39. These goods are distributed in addition to other aid which families are receiving, and are not to be considered as a substitute for other assistance.

LEVELS OF LIVING OF FARM FAMILIES

Population Movements

Sons and daughters of farm families may remain in agriculture or go to cities to earn; opportunities for making a satisfactory living offered them by the different types of communities help to determine their decisions. A decision by large numbers of young persons to leave the farm for the city would have a far-reaching consequence for farm families; it would affect plans for tenure of land, for old age, for consumption, and for many other phases of the family's day-to-day living.

During recent years, farm population has been affected by factors working in opposite directions. On the one hand, the business recession has tended toward an increase by retarding the movement from farms to cities and by encouraging families to move to farms. On the other hand, droughts have lessened opportunities to make a living by farming in the severely affected areas and thus have tended to reduce farm population there. Technological improvements in agriculture including increased use of power machinery in some areas also have decreased the number of persons required to produce the nation's supply of agricultural products.

The net result of these and other factors was a slight increase in farm population in 1937. In that year the net movement of 283,000 persons from farms was more than offset by the excess of 378,000 births over deaths. Farm population changes during 1937 were not uniform throughout the country. Some net increases occurred except in the drought-stricken States of the Mountain and the West North Central regions. Increases were largest in the Pacific Coast and New England regions.

The ways of living of all farm families--whether those of laborers or operators--are of grave concern to agriculture. An influx of unneeded farm labor into any farm community creates problems for agriculture analogous to those faced by cities with slum areas. In recent years the far Western States have received numerous migrants from the drought areas of the Great Plains. They have also received them from the South and Southwest, where birth rates are high, and opportunities for migration to cities are limited. These migrants have lacked capital for buying land; many have found no employment save a few seasonal jobs. They thus have become nomads, unwanted by any community and without funds for an adequate level of living. The problem of finding useful employment for thousands trained in agriculture on the Great Plains and in the South, but no longer needed there, presses for solution.

Outlook for Expenditures and Savings of Farm Families

Farm family income may be considered a rough index of potential well-being of families engaged in agriculture. A recent report made by the National Resources Committee gives the following estimates of the distribution of nonrelief farm families (operators and laborers living on farms) by net family income for the year 1935-36: Less than \$500, 18 percent; \$500-\$999, 35 percent; \$1,000-\$1,999, 34 percent; \$2,000 and above, only 13 percent. In this report, net family income is defined as total net income from farming (including an imputed value of occupancy of the farm house and of goods furnished the family by the farm) and money income from nonfarm sources.

The use of net income--how much the farm family allocates to living and how much to getting ahead financially--varies with economic levels. Other factors, such as the number and age of family members, the planes and standards of living current in the community, and climatic and other regional conditions--all affect this allocation of funds. However, the income must provide for the family's most urgent needs before saving begins. According to the Consumer Purchases Study of 1935-36, a large number of families began to depart from a mere balancing of living expenditures with income and to pay off obligations or increase assets, when their total family income was about \$1,000 (net money income between \$500 and \$1,000). In Pennsylvania and Ohio, and in Oregon and Washington, farm families as a group seemed to need an average net money income of about \$600 to meet expenses for family living without a deficit. When incomes passed this mark, a large number of families began to get ahead financially by such means as making payments on the principal of the farm mortgage or other debts and by investing, usually in the farm business. This tendency of families to save by applying the brake to expenditures for living is found at lower income levels in farm communities than in cities.

With changes in income and price levels the farm family must adjust its program of spending and saving. During the year ending June 15, 1938, prices paid for commodities bought for farm-family maintenance declined 5.4 percent--much less than did national income from agriculture. During this period the retail index of food prices declined 11.3 percent; of clothing, 3.8 percent; of operating expenses, 1.8 percent; of furniture and furnishings, 3.5 percent; and of building materials, 6.1 percent, according to the Bureau of Agricultural Economics.

Following a year of limited spending power many farm families may enlarge their programs of production for home use in 1939.

Prices of commodities bought for farm-family living are not expected to change much in 1939 from present levels. If incomes increase as anticipated and prices remain about the same, farm families may be able to spend and to save somewhat more in 1939 than in 1938.

The Food Supply of Farm Families,
1938, and Outlook for 1939

Diets of nonrelief farm families tend to be definitely better than those of village or urban dwellers at similar economic levels, largely because of their food production for family use. More particularly, it is the farm families' use of home-produced eggs, milk, vegetables, and fruit--foods sometimes called "protective foods"--that is responsible in many cases for their higher dietary levels. These foods furnish minerals and vitamins that are likely to be deficient in the diets of a large proportion of nonfarm families.

The amount and kind of protective foods furnished by the farm vary with region and type of farming. Thus in 1935-36, families of native white non-relief farm operators produced an average of only 1 1/2 dozen of eggs a week

in counties of southern California, whereas about 3 1/2 dozen a week were reported by similar families in the West North Central states, according to the Study of Consumer Purchases. Aside from the five highest and five lowest values reported by the 20 groups of white operators' families studied, the range in consumption of farm-furnished eggs was from 2 1/4 to a little over 3 dozen a family a week. Comparable figures for farm-furnished milk were 4 1/2 to 5 gallons. The average weekly value, season in, season out, of fruits and vegetables was from \$1 to \$2.^{3/} Low consumption of vegetables and fruits is

^{3/} In this study all food was valued at prices that families would have paid had they bought similar quantities of similar quality from neighbors or other likely place of purchase.

responsible for the relative deficiency of vitamin C found in many farm family diets. Where production conditions are favorable for raising vegetables and fruits, families would do well to consider whether they could improve their living levels by raising for home consumption more of these foods.

Many farm families still have unsatisfactory diets. There may be too little money for food; families may have insufficient capital to invest in the needed cows and meat animals or too little land to grow their feed; conditions may be unfavorable to gardening.

Were the 1,250 million dollars' worth of farm products (chiefly food valued at farm prices) that were retained on farms in 1938 for family consumption equally divided among the more than 6 million farm families in the country, it would amount to about \$200 worth per family. Of course, it is not equally divided. Large families tend to have more than small, and among families of the same size those at the upper money-income levels tend to have more than the less well-to-do. However, the lower the family's money income, the more does its well-being depend upon these supplies.

The last few years have seen a definite trend toward better planning to meet family food needs. In many farm homes the family now estimates the quantities of different foods needed for satisfactory diets; it then decides what and how much might well be home-produced and what and how much purchased. The Extension Service has given this program special emphasis since 1930.

The Farm Credit Administration is likewise encouraging its borrowers to produce the major part of their food supply. Experience has shown that family living has first claim on the farm income. If cash expenditures for this item can be reduced through a larger program of home production, more money will be available to meet expenses for farm operating and interest, and installment payments on the loan. The Farm Security Administration also has supported food-production programs through its policy of loaning money on the basis of farm and home management plans which provide for raising enough vegetables and livestock to meet the family's own subsistence needs throughout the year.

Continued interest is shown by farm families in "canning by budget" and in improving indoor and outdoor storage facilities. An outstanding development contributing to successful conservation of home-produced food by farm families is the establishment of storage lockers in local refrigeration plants. This started on the Pacific coast, has spread rapidly through the Middle West, and is now getting under way in the South. The movement is only in its beginnings in the East. Trade papers estimate that there now are about 2,500 such plants in the United States with a total capacity of 850,000 lockers, and that others are being established at the rate of about 50 per month. At present these lockers are being used chiefly for the storage of meat, but their use for vegetables and fruit is growing.

Expenditures for food are larger than for any other item of family living. In three-fourths of the farm areas studied in 1935-36, average food expenditures of nonrelief families of native-born white farm operators ranged from \$154 (Georgia and Mississippi) to \$261 (Colorado, Montana, and South Dakota).

Prices paid by farmers for food have been fairly stable since March 1938, following a considerable decline during the previous 9 months. Food prices may average about the same in 1939 as in 1938. Lower average prices for some cereal products, and pork are expected to about offset higher prices for potatoes and truck crops. The outlook for higher prices for vegetables may lead some families to try to broaden their 1939 programs of production and conservation of vegetables for home use.

Outlook for Broadening Social Contacts Through the Telephone, Radio, and Automobile

The farm family's opportunities for improving its social and cultural life have been multiplied in recent years, chiefly because of greater use of the automobile, increased radio ownership, more hard-surfaced roads, and improvements in rural mail delivery and telephone service.

The proportion of farm homes with telephones probably has increased little, if any, since 1930, according to data from the 3,000 farm families studied in the 1938 preliminary census survey of agriculture.

For radios the story is different. On January 1, 1925, only 6 percent of all families in the counties included in the preliminary 1938 farm survey owned radios. The proportion had increased to 29 percent by 1930, and by January 1, 1938, to 62 percent of those included in the survey. The Joint Committee on Radio Research estimates that 59 percent of all farm families owned radios on January 1, 1938. This committee also reports a large sale of radios to farm families in 1936 and 1937, especially in those areas with relatively high purchasing power.

Ownership of radios probably will continue to increase because of the pleasure and information they bring to the farm home. Prices of 1939 models are somewhat below the early prices of 1938 models. However, because of the anticipated improvement in demand and because stocks on hand are much smaller than those of a year ago, there may be less price cutting during the coming year than occurred during the present year.

The number of automobiles and the number of radios owned by all families - urban and rural - in this country in 1937-38 was about the same; about 25.5 million passenger cars were registered in 1937 and 26.7 million radios were owned January 1, 1938, according to recent estimates. City families outstripped those on farms in the proportion owning radios; but relatively more of the farm families had cars.

The automobile ranked second to food in the list of money expenditures of farm operators' families with incomes of \$1,500 and over, in Pennsylvania and Ohio in 1935-36. Seventeen percent of the total money outlay for living of these families went to the family's share of expenses for car purchase and operation. When incomes were below \$1,000, the automobile competed with clothing for third place, being outranked by both food and household operation. This increase in importance of the automobile in the farm family's spending pattern has occurred largely during the last 15 years. In 1922-24, a study of farm-family living in 11 States showed expenditures for the automobile taking only about 9 percent of total money outlay for living, and ranking below expenditures for food, clothing, household operation, and advancement.

On the basis of the 1938 preliminary farm survey, the Bureau of the Census estimates that the number of farm families owning automobiles has increased about 10 percent since 1930. According to the Consumer Purchases Study,

in 1935-36 car ownership/was reported by 97 percent of the nonrelief, native-white families operating farms in California, North Dakota, and Kansas; by 73 percent of those in Vermont; and by 62 percent in Georgia and Mississippi. Only about one-fifth of the white sharecroppers in these southern States had cars.

Many of these farm automobiles came from the used-car market. About twice as many used cars as new ones were bought in three-fifths of the farm areas studied. Only in California were more new than used cars bought. In the East Central region, about 50 new cars and 125 used cars per 1,000 families were bought in 1935-36. Most of the new cars had a gross price between \$500 and \$1,000. The price of the used cars generally was between \$200 and \$400; only a few cost \$50 or less.

Apparently, the farm family's car is expected to serve over a relatively long period. The families included in the 1938 preliminary farm survey reported that more than half the cars owned were at least 5 years old, and one-sixth had served 10 years or more.

These figures on ownership and purchases of automobiles indicate the interest of farm families in trends in car prices and operating costs. Prices of 1939 models are expected to average about 5 percent less than those of 1938 models. Reductions in the prices of several makes already have been announced.

Car mileage and operating expenses are closely related to family income. For example, in the lowest income group (\$0-\$249 net money and nonmoney income), car-owning farm families in Pennsylvania and Ohio drove an average of 2,011 miles for pleasure and household business during the year, while the average for those at the highest income level (\$5,000-\$9,999) was 8,476 miles. Average expenditures for car operation were \$51 and \$144, respectively, at these

two levels. Gasoline accounted for approximately one-half the total spent for car operation by families in every income class. No marked change in the price of gasoline is anticipated in 1939. It is probable that the prices of tires may advance somewhat, but the average outlay for tires and tubes usually accounts for only about 10 percent of the average total spent for car operation.

Outlook for Electricity and Other Facilities
Increasing the Comforts of the Farm Home

In spite of the downs and ups of farm income in the 1930's, there is evidence of various kinds of improvements in farm living conditions during this period. Use of electricity has increased; it is estimated that about 18 percent of all farms had electricity on January 1, 1938, as compared with about 13 percent in 1930.

The number of farms served by central electric stations increased from 1,043,000 at the end of 1936 to 1,242,000 at the end of 1937. According to a tentative estimate, farms with electric current from central stations numbered about 1,300,000 on June 30, 1938. These figures do not include approximately 250,000 farms with individual lighting plants.

The Rural Electrification Administration loaned \$90,000,000 during the year ending June 30, 1938, and expects to increase its loans to \$140,000,000 during the current fiscal year. Not only have such loans enabled many farms to secure electric service, but the farmers' cooperatives receiving these loans have effected material savings for their members on service charges.

On December 31, 1937 according to the Edison Electric Institute, the three States with the highest proportion of occupied farm dwellings served by electric central stations were: Rhode Island, 95 percent; California, 89; Utah, 74. The three with the lowest proportion were: North Dakota, 4 percent; Arkansas, 3; Mississippi, 2. It is expected that electrification of farms will continue at a high rate in 1939 although smaller increases may occur in subsequent years.

Electric rates paid for farm residences have declined until in 1936 they were about 83 percent of what they were in 1910-14 for the country as a whole, according to a recent study made by the Bureau of Agricultural Economics. This downward trend is expected to continue into 1939.

The use of motor-driven equipment for lightening household tasks is related to many factors, important among them income and availability of electricity. Although washing machines and other appliances with gasoline or kerosene motors are in the markets, those driven by electricity are more commonly purchased. According to a recent study made by the Rural Electrification Administration of its first 46 projects, the proportion of clients having various electric appliances was: Radio, 86 percent; iron, 81; washing machine, 47; refrigerator, 26; toaster, 24; water pump, 17; vacuum cleaner, 16. Customers had had electric service for an average of 8.4 months when the survey was made.

The trend toward electrification of farm dwellings and installation of equipment making for comfortable living bids fair to add materially to the day-by-day cost of running the house, as well as to entail a comparatively large capital investment.

The market for electrical appliances was weak in 1938, especially during the summer, with consequent price-cutting and generous allowances for some types of old equipment turned in. However, the market appears to have stabilized recently with some improvement in prospect, according to most trade sources.

Important as electricity is for farm family living, running water may do as much or more toward easing the homemaker's burdens and increasing the comfort of the whole family. A house with no sanitary facilities except a kitchen sink with drain would be considered unsatisfactory by many urban homemakers. But to many a farm housewife the provision of a sink would be a long step forward and would mean more than a comparable expenditure for any other housing improvement. Only about one-third of the operators' families included in the 1938 preliminary census survey of agriculture had running water piped to their dwellings. This number represents a considerable increase since 1930, but still is far below a desirable standard for farm families.

The situation in regard to running water in farm dwellings varies greatly from State to State. According to the Housing Survey made in 1934 as a CWA project, fewer than 5 percent of the farm houses had a sink with a drain in the counties studied in Alabama, Louisiana, Arkansas, Mississippi, Georgia, and South Carolina. Only in 7 out of 46 States did more than 80 percent of the families in counties studied report such equipment: California, New Hampshire, Connecticut, Rhode Island, Maine, Vermont, and Massachusetts. These figures are believed to be optimistic, inasmuch as some houses, probably not on main roads, were accidentally omitted.

Following this study there were reports of a trend toward improved housing facilities as a consequence of special arrangements for financing such undertakings. However, the situation about 2 years later still left such to be desired, according to the Study of Consumer Purchases. Among families of native white farm operators in the \$1,000-\$1,249 income class, the proportion of homes with hot and cold water in kitchen and bath ranged from 5 percent or fewer in the Southeast to 75 percent in California. The lack of sanitary facilities on farms is greater in the South than elsewhere.

The outlook for any increase in the number of farm homes with running water and other sanitary facilities is related not only to the outlook for increased family income but also to family choices as to ways of spending and to the ability of farm family members to install such conveniences themselves or to obtain the services of others for this purpose.

Outlook for Expenditures for Furniture and Furnishings,
Household Operation, and Building Materials

Average expenditures for furnishings and equipment represent only about 6 percent of the total money outlay for living among nonrelief farm families, according to data from Pennsylvania and Ohio. The movement of furniture prices thus is of minor concern to the majority of farm families, except when they are starting housekeeping or planning to buy relatively expensive articles. Furniture prices, according to trade sources, may be a little higher in 1939 than in 1938. Manufacturers in September were unwilling to take orders for delivery next year at current prices. On the other hand, there is some tendency for increased quantities of furniture to be sold from sample--a practice said to reduce retailers' carrying charges and therefore to bring about some reductions in prices to consumers.

The farm family's money outlay for household operation usually ranks among the four highest expenditure items of its budget, and fuel and light take a fair share of this outlay despite the frequent use of wood from the farm. No marked changes in prices of gasoline, gas, and fuel oil appear probable next year. Stocks of these products are much larger than a year ago. Coal prices, especially for bituminous coal, may be somewhat higher.

Prices of building materials are a factor in the farm family's decisions as to whether it will make repairs or major improvements on its dwelling or build a new one. Retail prices of building materials declined considerably in late 1937 and early 1938, followed by some recovery in prices in the early fall. Prospects for increased building activity, reduced inventories of some building materials, and some increases in costs are likely to result in an upward trend in prices of building materials.

Outlook for Clothing and Textiles Expenditures

Clothing expenditures of farm families averaged less than \$125 per family in the areas included in the Consumer Purchases Study; yet they ranked among the "big four" of living expenses, along with food, household operation and the family use of the automobile. While many garments are bought ready-made, the farm family does more home-sewing than the urban and thus is interested in movements of prices of both clothing and materials.

Clothing prices are expected to average a little higher in 1939 than in 1938, although prices of some textiles may be about the same. Rayon prices declined considerably in the first half of 1938 followed by some advance in August. With the likelihood of relatively higher prices of garments than of cloth, many families bent on reducing living expenses in 1939 may increase the proportion of clothing made at home.

The increase in prices of hides and skins and the reduction in shoe inventories, along with an improvement in demand, points to some increase in the price of shoes in the coming year. As the shoe bill generally takes a larger proportion of the total clothing budget of families on farms than in villages or cities, this outlook may cause the thrifty to give special attention to the care and repair of shoes and boots.

Outlook for Family Purchasing

Farm families are becoming more conscious of their problems as consumers. In an effort to buy more intelligently, they have been making larger demands upon the various Government and private agencies for information and guidance. The number of farm families reached by the Extension Service through publications and meetings on consumer education increased sharply in 1938.

Consumer education courses are being added to the curricula of many secondary schools and universities. In the public schools of Minnesota and Wisconsin, education on consumer cooperation is compulsory. The number of books and pamphlets regarding various aspects of consumer education has increased rapidly, leading to the publication of many bibliographies.

Special bureaus for the protection of consumers have been advocated. The State of Michigan in 1938 established a Consumers' Bureau in the Department of Agriculture, but a similar proposal was rejected in New York. In Indiana, Minnesota, and Wisconsin, consumer organizations also are asking for the establishment of a consumer agency.

Culminating a campaign for more stringent Government protection of consumers, Congress, during last session, enacted two laws which gave consumers many new and more effective safeguards. The Wheeler-Lea Bill gives the Federal Trade Commission power to curb false advertising of food, drugs, cosmetics, and healing devices, and to intervene to protect consumers against unfair and deceptive commercial practices. The Food, Drug, and Cosmetic Act gives the Food and Drug Administration increased powers to regulate interstate commerce in food, cosmetics, healing devices, and drugs. Specifically designed to regulate the sale of dangerous drugs, the law also empowers the Administration to establish standards of identity, quality, and

fill-of-container, for practically all foods. More stringent label requirements were established.

Business also is recognizing this desire of consumers for accurate and complete information about the goods they buy and the Consumer-Retailer Relations Council is conducting a national survey of the kind of informative labeling of certain textile products and household equipment found acceptable by consumers, retailers, and manufacturers.

A major problem in the field of consumer education that has arisen during the past year has been the increase in the number of so-called consumer organizations that appear to be commercially sponsored for furthering the interests of the sponsors rather than of consumers.

There is considerable evidence that cooperative buying by farm families is increasing. Of the farm families reached in the 1938 survey preliminary to the next census, 17 percent made purchases cooperatively, compared with 7 percent in the same counties in 1930. The proportion of farm owners making purchases cooperatively more than doubled in the 8-year period, rising from 9 to 19.5 percent; but the proportion of tenants buying cooperatively more than trebled, rising from 3.9 to 13.5 percent.

It is estimated that there were about 5,000 retail cooperative buying associations in the United States in 1937. At least half of these societies are believed to have sold goods for farm use and about half of this group in turn handled household goods in addition to farm supplies. Sales of all retail associations totaled almost \$300,000,000. Associations buying farm supplies transacted about two-thirds of this business. These farm-supply associations also enrolled about two-thirds of the total membership in all retail societies, which amounted to approximately 1,500,000 members in 1937.

While feed for livestock and poultry still makes up the largest dollar volume of cooperative purchasing by farmers, purchases of oil and gasoline are a close second. Insofar as these are used in car operation they contribute to farm family living as well as to the farm business. Some buying associations that originally handled products for farm production only have expanded their facilities to supply farm families with household supplies, such as electrical appliances and groceries. Furthermore, new cooperative associations have been formed or existing associations have undertaken to provide farm families with electricity, credit, insurance, health and medical services, and funerals, on a cooperative basis.

With the increasing number of agencies engaged in consumer education, the trend toward a better understanding of consumer problems by farm families and more efficient buying practices seems likely to continue in 1939.

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STATE REPRESENTATIVES ATTENDING THE 1939 OUTLOOK CONFERENCE

<u>State</u>	<u>Name</u>	<u>Washington Address</u>
ALABAMA	Miss Nell Pickens	Hotel Harrington
ARIZONA	George W. Barr	" "
CONNECTICUT	G. B. Clarke	1502 N. Glebe Road, Arlington, Va.
FLORIDA	C. V. Noble	Hotel Harrington
GEORGIA	Willie Vie Dowdy	Willard Hotel
ILLINOIS	P. E. Johnston	Hotel Harrington
	E. T. Robbins	" "
	A. R. Kemp	" "
	Miss Gladys Ward	" "
	Miss Ella Donaldson	" "
INDIANA	T. G. Hornung	" "
	Miss Starley Hunter	" "
	Miss Elsie Glasgow	" "
IOWA	L. K. Soth	" "
	L. G. Allbaugh	" "
	Miss Fannie Cannon	" "
KANSAS	Chas. Dominy	" "
	Mrs. Eunice Pardee	" "
	J. H. Coolidge	" "
KENTUCKY	Bruce Poundstone	" "
	L. A. Vennes	" "
LOUISIANA	Marcel J. Voorhies	" "
	Miss M. L. Collings	" "
MAINE	Donald W. Reed	" "
	Edna M. Cobb	Dodge Hotel
MARYLAND	S. H. DeVault	College Park, Md.
	P. E. Nystrom	" " "
	Arthur Hamilton	" " "
	Roger F. Burdette	" " "
	James W. Coddington	" " "
	Venia M. Kellar	" " "
	Jessie D. Hinton	" " "
MASSACHUSETTS	Roy E. Moser	Hotel Harrington
	Miss Grace Gerard	" "
	A. H. Lindsey	Ambassador Hotel
	Geo. W. Westcott	" "
MICHIGAN	R. V. Gunn	Hotel Harrington
	H. A. Berg	" "
	Miss Julia Pond	" "
MINNESOTA	D. C. Dvoracek	" "
	J. B. McNulty	" "
	Miss Mary May Miller	" "
	S. T. Warrington	" "
MISSISSIPPI	J. V. Pace	" "
	Miss Kate Lee	" "
MISSOURI	J. E. Crosby, Jr.	" "
NEBRASKA	Arthur G. George	" "
	Mrs. Arthur G. George	" "
	Clara Newlee	" "

(over)

<u>State</u>	<u>Name</u>	<u>Washington Address</u>
NEW HAMPSHIRE	Alan MacLeod	Hotel Harrington
	Ann F. Beggs	3020 Porter St., N.W. c/o L. W. Reynolds
NEW JERSEY	W. F. Knowles	Hotel Harrington
NEW MEXICO	H. L. Hildwein	" "
NEW YORK	V. B. Hart	Hamilton Hotel
	L. C. Cunningham	" "
	T. N. Hurd	" "
	Miss Lucille Williamson	
	Miss Delpha Wiesendanger	Hotel Harrington
NORTH CAROLINA	J. F. Criswell	Hamilton Hotel
	Miss Pauline Gordon	Willard Hotel
NORTH DAKOTA	Harry G. Anderson	1224 Euclid St., N.W.
	Mrs. Florence P. Day	Willard Hotel
OHIO	V. R. Wertz	Hotel Harrington
	Guy Miller	" "
	Thelma Beall	" "
OKLAHOMA	E. D. Hunter	" "
	A. W. Jacob	" "
	Mrs. Bonnie V. Goodman	" "
	Adlowe L. Larson	" "
OREGON	L. R. Breithaupt	" "
PENNSYLVANIA	H. N. Reist	Ambassador Hotel
	Kenneth Hood	" "
	Edith Morton	Hotel Harrington
RHODE ISLAND	J. L. Tennant	Lee House
SOUTH CAROLINA	O. M. Clark	1824 G St., N.W.
	E. H. Rawl	Hotel Harrington
	Henry P. Johnson	" "
	Jane Ketchen	Willard Hotel
	Portia Seabrook	" "
SOUTH DAKOTA	S. W. Jones	Hotel Harrington
TENNESSEE	H. C. Holmes	" "
	Mrs. Elizabeth Speer	" "
TEXAS	Miss Louise Bryant	" "
	W. E. Morgan	Annapolis Hotel
	C. A. Bonnen	" "
UTAH	O. J. Wheatley	Hotel Harrington
VERMONT	H. I. Miller	" "
	Mrs. H. K. Brooks	" "
VIRGINIA	J. L. Maxton	" "
	Miss Ruth Jamison	" "
	Miss Sallye Hamilton	" "
WASHINGTON	R. M. Turner	" "
WEST VIRGINIA	Austin Goth	Landover, Md., c/o Robert Overing
	Miss Gertrude Humphreys	Hotel Harrington
WISCONSIN	D. S. Anderson	Lee House
	R. K. Froker	" "
	I. F. Hall	Hotel Harrington
	Miss Clara E. Jonas	" "
WYOMING	A. W. Willis	" "
CANADA	J. Coke	Hamilton Hotel
	C. F. Wilson	" "
	Oliver Master	

Extension Service
and Bureau of Agricultural
Economics cooperating
U. S. Dept. Agr.

ASSEMBLY OF PAPERS PRESENTED BY REPRESENTATIVES OF THE
BUREAU OF AGRICULTURAL ECONOMICS, AND STATE AND COUNTY
REPRESENTATIVES OF THE EXTENSION SERVICE AT THE ANNUAL
OUTLOOK CONFERENCE, WASHINGTON, D. C., OCT.24-29, 1938

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PROCEDURE IN THE PREPARATION AND DISSEMINATION
OF OUTLOOK MATERIAL FOR FARM FAMILY USE

I. By Portia Seabrook
Home Management Specialist,
South Carolina

Since 1933 material for Outlook meetings has been prepared by the State staff and presented in county-wide meetings to the home agents and local leaders. The home agents and these leaders have held similar meetings in each club community inviting all men and women of the community to attend. The facts brought out in these meetings were used later as a basis for program making.

The assistant State agent, who was also in charge of the home management project, and the home demonstration marketing specialist attended the first National Outlook Conference to which women were invited.

On their return, they prepared a 7-page mimeographed leaflet and presented this Outlook material to the State staff, then to the home agents and their leaders, who in turn held Outlook meetings during January or February in each club community.

For the past two years, the present home management specialist has attended the National Outlook Conferences and has assisted the State specialists in preparing Outlook material adjusted to the use of rural people in the State. This has been printed jointly with the farm Outlook. In addition, an outline for use at county meetings and suggested home practices to be carried out were given to each county. These practices count toward a certificate awarded to home demonstration club members, and have been responsible to a great extent for interest shown in farm home Outlook.

Last year, this material was given at three district meetings at which staff members, farm and home agents, and men and women of the County Planning Boards of our 46 counties were present.

From these meetings this information was taken to the communities of every county in the State.

The annual reports of the home agents show figures that give the average for the 46 counties in our State:

	<u>1937</u>	<u>1938</u>
Days devoted by each agent to Outlook	7.7	9
Days devoted by specialists in each county	1.0	1
Number of communities in which Outlook meetings were held...	15.0	16

Nine local leaders assisted with this work in 1937 as compared to 19 in 1938.

An average of 11 Outlook meetings to the county was reported last year.

The State and all county newspapers gave space for publicity, an average of seven news articles to the county being printed last year. Radio programs were given over the five stations used regularly by extension workers.

The following five excerpts are taken from county reports on meetings held:

"Farm and Home Outlook was discussed and every member present checked up on his farm and home, and set goals for the coming year."

"Supplementing the income through cash saving practices for increasing the home food supply from orchard, garden, the family cow and poultry flock were stressed in each community. The women entered freely into the discussions and many said that they felt this to be the most helpful meeting of the year."

"The information is so practical that I don't see how we got on without it. Does Outlook help farm women? Surely, it has helped me and every woman in the community."

"The men said they did not know health depended so much on gardens, cows, poultry, and fruit."

"In this county, 1,076 women paid more attention to prices, soil building, conservation of forests, record keeping, budgeting and renovation. Three thousand women were reached."

All counties agree that more year-round gardens, more fruits, dairy and poultry products, a higher standard of home-canned goods, greater interest in record keeping and good buying practices, are results of Outlook meetings.

Outlook information in suitable form is used in 4-H and the older youth clubs.

The Extension staff of Winthrop and Clemson Colleges jointly are printing a bulletin to encourage the farm family to live at home and use the cash income for other necessities. At a recent meeting each member of the staff made suggestions as to what should be included in this bulletin and he or she will follow up these suggestions with definite information as to how to carry them out.

This bulletin will be used in connection with Outlook. We are glad to say that South Carolina will be able to use the results of 36 farm home accounts as a basis for financial planning. According to these records, cash is not plentiful so that the live-at-home bulletin will be useful. Our clean-up, paint-up, fix-up campaign launched in March of each year is good follow-up for Outlook.

In her recommendations to farm families for the coming year our extension nutritionist says, "Every family should study the food needs for the family and plan to produce an adequate supply. Every rural family without a cow should make every effort to secure one. It is practically impossible to have a first class diet without sufficient milk. Poultry flocks should be increased so that every family may have plenty of these valuable foods. Wherever practicable, some grain should be raised for the home food supply. More fruits of whatever type suitable should be planted.

This will release cash, otherwise required for food, to spend for items that cannot be produced at home. The family benefits in another way. It has better food, with more variety and more protection."

We always recommend calling a family council to take a long look ahead and draw up a spending plan, based on last year's money outlay, where accounts were kept. Or, if accounts were not kept, perhaps an estimated plan can be made.

Again this year, we plan a joint Farm and Home Outlook Bulletin, including the farm and home side of the situation. District, county, and community meetings will be held jointly with the State staff assisting as usual. We have an increased interest in the keeping of farm and home records among our rural people which we trust will continue.

Outlook problems will be discussed at county planning meetings, as well as at other joint conferences and the regular home demonstration clubs.

Newspaper and radio publicity will be given to this subject. Broadcasts will be made over W.B.T., Charlotte, N. C., and four stations in South Carolina where extension workers have regular weekly time for Extension News.

Our assistant State agent says, "As a result of Outlook in county and clubs:

1. Women, after 1 year of Outlook, have asked for it each year.
2. Women were ready to serve on County Planning Boards.
3. Women want night meetings so that the men can attend.
4. Agents are becoming more able to carry on their own Outlook meetings, adapting them to local conditions.
5. Outlook discussions have stimulated interest in and requests for consumer information and observations.
6. Women are reading with increased interest on economic subjects in magazines, papers, and some books.
7. The discussion method is used more and more in Outlook meetings."

We have a minimum food and feed budget and planting plan written by the nutrition and production specialists for use in the lower income levels, and also a standard plan of this kind for the middle and upper groups.

There is a shortage in poultry and dairy products in our State. The supply of corn and small grain products has improved, though not yet adequate.

Extension people have been accused of not working with the lower income groups. In our State approximately 46,000 girls and women are enrolled in clubs; 26.1 percent of the women and 40.3 percent of the girls belong to the tenant group.

Approximately 47 percent of our farm home account records kept last year came from farms making a cash income under \$100 a year which is below the average cash farm income in South Carolina.

We have the same groups mentioned by Louisiana: (1) Share croppers and wage hands; (2) tenants and small land owners, and (3) larger planters.

The women appreciate and enjoy the Outlook information. They feel that it gives them a better understanding of the economic situation as a whole, and of the farm situation in particular, that it broadens their viewpoint and enables them to discuss intelligently with their husbands the farm problems which affect so vitally the farm home.

There is more independent thinking being developed on the part of the farmer and rural homemaker as they are assuming more responsibility in the building of programs, and in taking part in the discussion of the local needs and desires of the people. This is calling for more careful thought and perhaps more guidance on the part of extension workers in county planning and program making.

* * * * *

II. By H. I. Miller
Farm Management Specialist,
Vermont

Charts -

1. Most agents hold outlook meetings in their counties during the winter months. Charts are furnished them by the State office.

Meetings -

1. Annual County Agents Program Planning Conference (middle of September), one day devoted to general outlook and two additional days to a discussion of the more detailed outlook for various commodities. This discussion was led by the various subject matter specialists.
2. Annual Extension Conference, one day is devoted to outlook. This year held in June.
3. Outlook is discussed each year at the county agricultural policy meetings, both with the men's and the women's groups.

4. Last year, county meetings were held by the farm management and home management specialists to discuss outlook, farm financing, credit problems, selecting a farm, etc. These meetings will be continued this year in March and April. Three meetings are planned for each county.
5. A.C.P. training schools are held each fall. The outlook is discussed at these training schools each year. Last year, a 2-day school for town committeemen was held in each county.

News Articles -

1. Local papers carry current situation reports when released.
2. State office prepares news stories for local papers in the State.

Publications -

1. Current outlook is discussed in each issue of Vermont Farm Business. Articles are prepared by the extension economists and other specialists. (Agronomy specialist on seed, dairy specialist on feed, etc.)
2. To replace the special printed outlook report, a special outlook number of Vermont Farm Business was prepared last year in the February issue, this year in the December issue. (Mailing list 3,500)
3. A discussion questionnaire for 4-H clubs will be prepared this year to accompany the outlook issue of Vermont Farm Business which will be used by 4-H farm management clubs.

Radio -

1. Current outlook information is included in radio talks, both those which are given by specialists and those given by county and home demonstration agents.
2. Special outlook radio talks are given each year.

* * * * *

III. By Bonnie Goodman,
Home Management Specialist,
Oklahoma

I. Procedure to be used in presenting outlook material should be:

1. To study the National Outlook, both agricultural and farm family living.

2. To summarize the important points in the National Outlook to include in the State Outlook such as -
 - a. The credit situation as it applies to farm family living.
 - b. Cash available for farm family living.
 - c. Available sources of the non-money and non-farm incomes.
 - d. Price trends for family living items.
3. To present the Outlook to the State extension staff and resident staff for suggestions and criticisms of how the National Outlook applies to the State economic situations.
4. Prepare a State Outlook whether printed or mimeographed. It may be separate or combined with the agricultural Outlook.
5. The Outlook could be prepared by members of the Extension, Agricultural Economics, and Home Economics staff and assembled by the farm and home management specialists. We prepared a Family Living and Agricultural Outlook in Oklahoma in 1937.
6. Outlook charts may be included in the State Outlook.

The form used in the preparation of the subject matter can be varied. We used problem questions with subject matter information following during 1938. The Outlook may be in the form of questions and answers. The Outlook may be prepared by topics to be used in a panel discussion; may be written in narrative form like the National Outlook; may have some problem questions to accompany the narrative. Charts may be used in State meetings, but probably by home demonstration agent for county presentation.

The Dissemination of Outlook Material for Family Use

1. Must first be put into the hands of home demonstration agent.
2. It is well to present it to the county and home demonstration agent, either at agents' conference, district meetings, or county visits, if time permitted.
3. Then it would be the duty of the county and home demonstration agent to give the Outlook to farm women.

II. How Outlook is prepared and disseminated in Oklahoma.

1. A printed copy of Outlook prepared by resident agricultural economics staff, farm management, marketing, and home management specialist. One page was devoted to a brief summary of the Farm Family Living Outlook. Ten thousand copies were distributed to county and home demonstration agents to be used by farm families.
2. A mimeographed bulletin was prepared by home management specialist in cooperation with other women specialists, district agents, and State leader. These bulletins were

sent to each home demonstration agent to be used at demonstration club meeting during the first part of the year. One month is devoted each year to this phase of the work and each agent is encouraged to use the Outlook material throughout the year wherever it seems to fit in with the program. The Outlook last year was summarized by the home management specialist and copies of State summary given to agents at annual conference. Each of 10 agents were assigned topics of Outlook to prepare for club meeting. One hour's time was devoted to a demonstration of the presentation of Outlook material at a club meeting led by the home management specialist with the agents acting as farm women during the annual conference of Extension agents.

* * * * *

IV. By Chas. E. Dominy,
Marketing Specialist,
Kansas

Our method of handling Outlook work in Kansas is being changed this year; it is still somewhat in the experimental stage and probably this discussion would be more appropriate after we find just how successful it turns out to be. There are 105 counties in Kansas, and under our old plan a series of 2-day meetings were held in each of the 21 5-county districts during January and February. These meetings were attended by county agents, home demonstration agents, and as many local leaders as possible. Agricultural Outlook, farm family living, and agricultural planning were considered. The 2-day meetings were supplemented in the summer, usually in August, by a series of 1-day meetings in the same districts, but in these meetings only the agricultural Outlook was considered.

All of the meetings were supposed to have been leader training meetings, but we have never been successful in training local leaders to carry the information back to the local communities. There are two reasons why changes are being made this year. (1) Not enough people were being reached. (2) Our audience had mixed interests, as a result the information was not detailed enough for some and of little interest to others.

Under our new plan, an attempt is being made to put Outlook information on a commodity basis and to correlate it with all production programs. The start will be made with a central office meeting and will have the following represented:

1. Central office:
 - a. Agricultural specialists.
 - b. Agricultural engineers.
 - c. Home economics specialists.
 - d. 4-H club department.
 - e. County agent and home demonstration agent supervisors.

2. Experiment station staff:
 - a. Economics department.
 - b. All production departments.
3. Agricultural Adjustment Administration.
4. Farm Security Administration.
5. Farm Credit Administration.
6. Vocational Agricultural Department.
7. Soil Conservation Service.

The purpose of this meeting will be:

1. To study and discuss Outlook for agricultural and home economics.
2. To consider the Outlook and how it can fit into each and every program of work for the various extension programs and correlated plans.
3. To consider correlation for the various programs as they are affected by different agencies.
4. To consider and establish working units of various farm plans.
5. To consider contributions that various agencies can give.
6. To consider possibilities of new uses, e.g., the possibilities of Industrial Alcohol and a Tenmarq Seed Wheat Program.

Following the central office meeting, a district meeting will be held in each of the three administration districts of the State; these will be in the nature of training schools for county agents and home demonstration agents, but local representatives of cooperating agencies and a few outstanding local leaders will also be in attendance. After these meetings the agricultural Outlook work and home management activities will turn in different directions.

Each county will be reached by a marketing or farm management specialists in company with a production specialist, and then a very detailed outlook for the commodity being covered will be given. The counties being reached in this way with a certain commodity will be rotated from year to year. These visits will be supplemented during the balance of the year by work on beef tours, agronomy field days, etc., with the various production specialists. Outlook information for commodities not covered in this detailed manner will be given at production meetings by the county agents and production specialists. In this way, it is our goal to work some Outlook material into every meeting; even though it may be rather incomplete, it will reach those who are most interested and we hope that it will be effective.

In the home management work, the home demonstration agents will carry the Farm Family Living Outlook back to the various counties in unit meetings. Before these meetings, a very careful survey of conditions in each county is to be completed so that the information will be adapted to each county.

As I said at the beginning, this plan is new for us and we do not know just how successful it will be; however, we do feel that it has possibilities. Possibly, a large part of the success or failure will depend upon the cooperation that we get with the production specialists and the interest that we are able to create with the county agents.

Both the Extension staff and the Experiment Station staff cooperate all along the line in preparing material for Outlook work; it is difficult to separate their work so I will outline the material that comes from both groups as a whole. It can be divided into three parts: (1) Foundation for future planning. This includes material of a general nature that lays the groundwork for future planning and marketing work. As an example of this, I will mention the general educational work on poultry and turkey grading which has finally resulted in an actual graded market in many localities for turkeys in particular. Also, the educational work being done at the present time in regard to better varieties of wheat. (2) Long-time Outlook. In this division can be included the Kansas Agricultural Situation issued twice each year and the monthly publication with the same name. Other material includes handbooks for leaders and a large wall chart which carries a price forecast for the next six months. (3) Short-time Outlook. This material takes so many different forms that is difficult to summarize them. Included is a weekly market letter to members of the farm management associations which is also read over the college radio station each Monday; news items in local newspapers and farm magazines; timely radio talks for a certain commodity in detail; monthly letters to holders of the wall charts which give the information to bring the charts up to date; and, articles in the news letters put out by the production specialists.

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V. By A. R. Kemp,
Farm Advisor,
Knox County, Illinois

The county agent's purpose and interest in presenting Outlook material to the farm people is the same as that of the workers in the Bureau of Agricultural Economics and the Agricultural Economics Departments of the various State Agricultural Colleges. However, his point of view and the presentation of this information may be different, as he is close enough to the farmers that he must keep uppermost in his mind the practical application of this material to farm conditions in his county. I can see no reason why a county agent in Illinois would have any different problems of presenting the general agricultural Outlook material than one in any other State. Emphasis, however, will be placed by him on Outlook material that pertains to the farm enterprises most important in the county.

Knox County, Ill., is located in the west north central part of the State, known as the livestock section. This county is primarily a livestock county as little cash grain is sold, most of which is fed to hogs, beef cattle, and dairy cattle. Sixteen years ago, when I came to the county, beef cattle and hogs were the chief enterprises, while today dairying is perhaps as important as beef cattle production and feeding. Approximately 40 percent of the total farm income of the county comes from the hog enterprise - 20 percent from the beef cattle - 20 percent from dairy cattle, and the remainder from cash grain, poultry, and fruit. Changes do take place in agriculture, some things are taken for granted now that were considered radical a few years ago. This fact we must take cognizance of and other changes that may and do take place from time to time.

Knox County has a varied type of soil, ranging from the best in the State to some that is very poor; from level land that is subject to little erosion to some that is subject to heavy erosion, and some of which is now seriously eroded.

With this further word of introduction, we shall proceed with the subject before us. Knox County now has all-weather roads to practically every farm home in the county, approximately 1,000 farm homes have electricity, and many have modern homes. In addition, Knox College is located at Galesburg, which has resulted in having many college folks on our farms. Many of our project leaders are college men.

In looking back over the county agents' reports of Knox County for the past 20 years, I find the first record of agricultural economics interest in 1929 when the first agricultural adjustment conference was held. Our late Dean Mumford was responsible for holding these conferences. Leading farmers and home makers were invited and attended these early adjustment meetings. It was from these conferences that interest in Outlook material manifested itself. The following year, 1930, another adjustment conference was held and in February of that year, the first District Outlook Conference held in an adjoining county. Dating from that year, leaders from our county have attended Outlook conferences.

Let me quote from the farm advisor's report of 1931, "Several representatives of Knox County attended the University of Illinois Outlook Conference held at Monmouth in February. When these conferences were first held many farmers were skeptical as to the purpose of these meetings and doubtful about the ability of a university professor to prognosticate the future trends in agriculture. However, times have changed and progressive farmers are looking forward each year to these Outlook reports, as they are making considerable use of them in an attempt to adjust their farm business to present conditions. The Outlook material was discussed at several county meetings held during the spring."

That idea was quite general in the early days of Outlook meetings and discussions. However, thanks to such men as Dr. Paul Johnston and Prof. E. T. Robbins, both of whom had experience as county agents and understand the psychology of farmers. Professor Robbins has attended a majority of our district meetings and in his congenial, practical way has gotten over this material to those attending.

For several years farmers generally were quite interested in the material concerning crop and livestock production but not much interested in the economics, particularly in national and world questions, as they could not see how that affected their farm business.

The change in attitude came with the advent of the A. A. A. programs and from agricultural economics schools held in cooperation with the Agricultural Economics Department of the University of Illinois. The first of these agricultural economics schools was held in the fall of 1936. There were 38 farmers enrolled in this school and the subjects discussed were, "Why Farm Prices Change", "Money and Credit", "The Farmers Interest in Taxation", and "The Farmers Interest in World Trade".

The second series of schools was held in the winter of 1937 and 1938 with 43 leaders enrolled. These schools in my opinion have had much to do with added interest and in a greater dissemination of Outlook material.

In addition to the regular Outlook meetings, we have been holding the past few years Outlook meetings in the spring and fall, (April and September) for livestock feeders. These have been especially valuable for cattle feeders, both in buying and selling cattle. Dr. Johnston assisted with our meeting in September this year, when we had an attendance of 95 livestock feeders present.

Now getting back to our Outlook material. In Knox County we have used five methods of getting the information to the farm people, namely: (1) Meetings where farm leaders presented the material, (2) meetings where the extension agent presented the material, (3) publicity in newspapers and the Farm Bureau Bulletin, (4) distribution of Outlook circulars, and (5) personal contacts made by the extension agent with the farmers in the office.

The leaders who presented the material at meetings had attended a District Outlook Meeting and in most cases had been given special training. The meetings where the farm advisor presented the material in some cases were called as Outlook meetings, while in other cases they were regular community meetings. The Outlook news articles were furnished to two daily papers and three weekly papers. There are some 1,500 on the mailing list of the Farm Bureau Bulletin.

For the 1938 Outlook, meetings were held in seven communities by local leaders excluding the home economics meetings which will be discussed by the home demonstration agent. The county agent held meetings in nine communities. The attendance at the meetings held by the extension agent was 459 and the estimated attendance at the meetings held by local leaders was around 400.

In four locations there are organized community units. In these communities two leaders were selected who attended the District Outlook Meeting and presented this material at a regular unit meeting. This Outlook information was used as the basis for discussion that evening meeting.

The means of publicity used in disseminating Outlook information was the daily paper, weekly papers, and the Farm Bureau Bulletin. This year we are planning to use the radio also.

A supply of circulars published by the College of Agriculture was kept in the county agent's office and distributed to those interested. This year a total of 400 copies was distributed.

Another farm advisor in Illinois who has used Outlook material to advantage, Mr. May of Madison County, held a series of nine Outlook meetings last winter where the material was presented by the advisor. Coffee and doughnuts were served at each meeting. A copy of a mimeographed sheet, which was passed out at these meetings, is attached. He reported more than 100 average attendance at these meetings.

Measuring accurately the results in extension work is difficult because many people use approved practices, who do not attend meetings or contact the county agent. The same is no doubt true with Outlook material, as I know from talking with farmers in the county that their neighbors discussed the Outlook with them, farmers who apparently are not interested, but do get their information from the back door.

The only methods we have used in measuring results are by the number of leaders attending district conferences, by the number of meetings held, by the attendance at meetings, and by the number of requests for Outlook circulars and material, and also by reports of farmers who use the material.

Attendance of leaders at district conferences has increased gradually from year to year. The attendance at the three conferences held in adjoining counties last year was approximately 30. During the first few years it was impossible to get local leaders in agriculture to accept the responsibility of holding local Outlook meetings. It was not until 1934 that this was accomplished in one community. In 1936 there were three and in 1937 seven. The development of leaders to present Outlook material we believe worth the effort as the thoughts and opinions of these men can be valuable in shaping our future farm programs. For several years the county agent has presented Outlook information at community meetings, but last year 16 communities were reached with the help of local leaders. More requests for Outlook circulars were made last year than ever before: 400 in 1937 and 150 in 1936.

In my opinion progressive farmers generally are studying their farm business more than ever before, are studying agricultural economics more, and are making use of Outlook information in planning their farm programs.

I wish to compliment the Department in getting the Outlook information out in December rather than February as that is most too late for farmers to make any changes in their farm plans for that year.

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VI. By Ella Donaldson,
Home Advisor,
Knox County, Illinois

Home makers in Knox County, Ill., have realized more and more their need to obtain information regarding business matters pertaining to the home and to the farm. It is very evident that their interest and perspective have changed. As a matter of fact, their viewpoints have broadened, and with this change, they are interested in discussing with their husbands these vital farm problems and their effect on the farm home.

The home makers and their families have also shown considerable interest in the District Farm Family Living Outlook Conferences which have been conducted by the members of the State extension staff of the University of Illinois.

Last year, 18 such conferences were held where local leaders were trained. It is interesting to note that in the early years only a few women attended these district meetings with their husbands, or in the interest of managers of their farms. However, the special invitation that these women received from the late Dean Mumford was greatly appreciated.

The Knox County Home Bureau has 17 units organized in the various townships in the county. Each unit carries on an organized program. Through this program, home economics information is presented through the local community leaders and the home advisor. Additional information is also requested by the home makers, which is of a social, cultural, economic, or recreational nature and is included in each of the monthly meetings during the year.

In order to plan the program of work, each local unit community chairman spends some time discussing with the membership in her community the interests and needs of the home makers in that locality. Having secured this information, the chairman is ready to take an active part in the planning of the county program for the following year. The requests from all of the units are summarized and evaluated; as a result, a program setting forth the lessons is formulated for the county.

It is interesting to note that the unit community chairmen, who met in April 1937, for the purpose of program planning, agreed that they would like to secure information on the economic situation. Perhaps this request came about as a result of the previous Outlook information which had been presented and had been a means of developing and maintaining their interest in the field of economics.

It is true that home makers who attended these previous meetings passed the information on to their friends. Women were also following the Outlook information which appeared in the newspapers and farm magazines.

But the questions which were asked by the unit chairmen at the program building meetings was another means of inserting additional timely information on the Farm Family Outlook. This also prepared the Home Bureau units for the information presented by the home advisor and the local leaders.

As home advisor in Knox County, I tried to include information on the present trends as they applied to the lessons I presented. For example, in the lesson on "Keeping the Family Fit" which was developed through the discussion method in our units. The women presented to that problem of decline in the available cash income for 1938 the importance and value of farm home products, not only as a means of increasing their non-cash income, but also a means of maintaining high health standards of their families.

Permit me to refer to another lesson presented on "Developing Personality of the Home Maker through Mental Hygiene", at which time the women established a few of their goals for 1938. It is interesting to find that many of the younger women were concerned with the problem of long-time financial planning and its effect on the realization of some of the goals which they established for their family. There seemed to be a weighing of values and placing "first things first".

Whenever possible I referred to the information which has been compiled by the State extension staff on summarization of home expenditures for rural families based on the Illinois home account records of farm families. The State specialists have also utilized this information when training the local leaders in the county.

This has lead the women to realize the importance of careful study of the "Family Living Records of Expenditures". I am very sure that I have not utilized to the fullest extent the material presented in those Outlook meetings. However, I feel confident that the amount presented has had an effect on the attitude of the families I contact each month. Perhaps we need to challenge every home advisor or home demonstration agent to plan more wisely the use of this information, which is so vital to our rural people. We need to be the "spark" which causes the fire back in the community to burn with greater zest and vigor.

I realize that this is very difficult because we have many problems to face, but I personally feel a great deal more could be accomplished in other fields of home economics if we could encourage every home maker to see the importance of working with her husband and with the other members of her family in carefully planning the family living. May I add that a home advisor might set a good example by keeping and analyzing the record of her personal expenditures.

In several of the communities, the home makers who have kept a record of their home expenditures were selected as local leaders to present the information at the local home bureau unit meetings. In several instances, these same leaders cooperated in presenting the material at the community meetings which Mr. Kemp has discussed. The leaders received their training at a district Outlook meeting, which was conducted by the State extension specialist.

Illinois has compiled a special agricultural Outlook circular which the women found useful, as it contained in addition to the copies of the U. S. Department of Agriculture Outlook charts, timely information in the State. Many home makers have reported that they referred to this publication throughout the year and have used it as a guide. The large agricultural Outlook charts, prepared by the U. S. Department of Agriculture, were used in a few communities, but a great many of the leaders found the smaller charts better adapted for reference where fewer were enrolled.

Home makers greatly appreciated the information which was included in the Outlook on the summaries of family living records in Illinois.

The State home economics extension staff have prepared an outline which was used as a guide by the leaders in presenting this information. I appreciate, from the standpoint of a county advisor, that there is a need of spending more time training unit leaders. For example, the leaders who presented in their discussion the Outlook for the future, developed a greater appreciation or realization of the effect price trends have on farm family living. This general information on the Outlook gave these leaders a real opportunity to clearly picture the 1938 farm family living Outlook and the factors which affect the standards of living of the rural people.

In checking the reports presented in the form of letters or comments for applications in regard to the value of Outlook information in a period of declining income, some interesting facts were revealed which I would like to mention:

First - Several home makers have referred to the material a number of times during the year, and they realized the Outlook information was used rather extensively by the families in their communities.

Second - Farm families received a "bird's-eye view" of the economic situation, and they could understand their own problems more clearly. They also appreciated an analysis and review of the past, setting forth its relation to the present.

Third - The information on seasonal trends have assisted farm families in planning their purchases. Many are buying large quantities of needed foods, at a material saving. When asking home makers what adjustments they are going to make, when we have a decline in income, it is interesting to note that those who have a record of their expenditure use it as a basis. A few women who have not kept a record of expenditures realize that such a wealth of information would assist them in making the adjustment, and as a result they enroll in this project. This past year, we have had one of the rural youth club members keeping a record.

Speaking of records of expenditures, this year Illinois has encouraged the 4-H clothing club girls to keep a record of their clothing cost and items of cost of personal appearance. This seems to me to be a fine way to encourage young women in sound principles of recording, analyzing and evaluating expenditure and income.

The planning of large gardens has been one way our farm families have increased their supply of canned foods and dried vegetables. By careful planning and increasing the non-cash income, one family was able for the first time to modernize their kitchen.

Fourth - In consideration of poultry Outlook information, many farm families have purchased early chicks and made definite plans to have them producing eggs earlier than in previous years.

We have no way of measuring to the fullest extent the usefulness or influence the Outlook information may have in our local communities, for example, a wife of a manager of one of the hatcheries in Knox County was visiting a Home Bureau unit meeting the day the information on trends was presented. In less than three weeks she had taken out an active membership in the unit. In reporting this to me the membership chairman laughingly stated, "She has made preparations for our early rush of baby chicks and this is one way she has of showing her appreciation".

Many families have avoided installment buying of appliances for the home and farm.

Last, but still of great importance, the reviewing by the home makers after the unit home bureau meeting (should we say during the evening meal)

the information she received during the afternoon on the trends for 1938. She may not progress very far, for father and son may assure mother, they had read, had a "hunch" or heard neighbor "Jones" relate the information on the coming year's Outlook. However, this seems to me to give the keen home maker an excuse to interest the family group in the problem of planning for the family and the farm business. I am sure that many of our home makers have been a real force in formulating such plans.

In this brief report, I have tried to set forth the plans which were used, and the results and satisfactions which the farm families in Knox County realized from the Outlook material presented last year by the local leaders working in cooperation with the Farm Bureau in the community units, the local unit Home Bureau leaders and the home advisor. This material was presented at 62 community meetings.

I am looking forward to the reports which will come in from the women after our series of meetings this fall and winter. The women will appreciate receiving the special invitation from Dean J. C. Blair, Director of Extension Work in Illinois.

It seems to me that the Outlook information presented the past year has been a means whereby many home makers in our county made choices which enabled their families to enjoy a more abundant life.

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THE UTILIZATION OF OUTLOOK INFORMATION AND MATERIALS IN
AGRICULTURAL AND EXTENSION PROGRAM BUILDING

I. By Gertrude Humphreys
State Home Demonstration Agent
West Virginia

Outlook information is used each year as an important part of background material for practically all phases of the state extension program.

I. Food production for home use.

For a number of years home demonstration agents working through farm women's groups have emphasized a live-at-home program. Extension service has also cooperated with relief agencies in gardening and canning campaigns.

As an outgrowth of 1937 Outlook Conference a committee was appointed to study needs and make suggestions for coordinated extension program on this phase of family living.

Committee includes:

Farm management specialist	Gardening specialist
Nutrition specialist	Poultry specialist
Dairy specialist	State home demonstration
Livestock specialist	agent
Horticulture specialist	

Results of committee activities to date:

1. Each specialist giving special emphasis in county and community meetings to production of food for family use.
2. "Feed the Family First" letter sent periodically by nutrition specialist to families not belonging to organized groups. Timely suggestions from the other specialists incorporated in this series of letters.

II. Farm Women's Groups Use Outlook Material.

A. Leadership training meeting held each year in May - three days

Attended by leaders and potential leaders in state and county farm women's organizations, and by home demonstration agents.

Purpose of meeting:

- (a) A mid-year check up on current year's program.
- (b) To plan program for following year.

Questions sent to each county in advance of meeting to help leaders in assembling facts regarding economic and social needs of the county and community.

At time of meeting -

- (a) Meet in 5 regional groups.
Discuss facts and problems of area.
- (b) Secretary of each regional group later presents summary of discussion to entire group.
- (c) State agencies and organizations present facts;
e. g. schools, health, etc.
- (d) Economic phases of family living presented by specialist,
e. g. Miss Van Heulen in 1937, Miss Rokahr 1938.
- (e) State committees of farm women then meet to consider facts and problems presented and to work out plans or recommendations to meet these needs - a list of suggested activities or procedures for solving the problems which seem to be common to state as a whole.
- (f) These recommendations of committee then submitted to entire group for approval or rejection.

B. Extension Service plans and prepares material to help these state and county groups in carrying out plans

Series of printed leaflets - one for each month

1. Purpose

- (a) Not primarily to give factual information, but rather to picture typical home and community situations which the farm women's club members will recognize as being similar to their own, and to suggest possible procedures or steps they may follow in thinking through their own problems and deciding how best to try to solve them.
- (b) To stimulate their further study of the subject.
- (c) To make them more familiar with state and national affairs effecting their own home and community situations.

2. Subjects of leaflets - many of them relate directly or indirectly to economic problems of home or community, and include outlook material. Some of the leaflets used during past six years which include material related to outlook are:

Outwitting time and money
Making the most of your dollar
Dimes and dollars day by day
Spending our clothing money wisely
The food we buy
Facing facts in the community
Returns from our taxes
How business-like are we?
It's a \$12,000 enterprise
When our dollars get together
The family talks dollars and sense
The land of West Virginia
- and others

Each leaflet includes suggested outline for the leader, so that clubs can plan and conduct own meetings without outside help.

3. Results - hard to measure, however, there are evidences of:

- (a) Greater interest in economic information.
- (b) More families practicing family financial planning.
- (c) Home improvements being made as a result of better planning.
- (d) Greater interest in county and state problems.
- (e) Different attitude toward program planning; many of the farm women leaders see the need for having economic information as basis for planning, and feel a greater responsibility for working out program suited to the real needs of the family as a unit, and for the community as a whole.

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II. By H. L. Hildwein
Assistant Director
New Mexico.

Agricultural planning embodies the discovery of the agricultural problems of an area, a suggested solution of these problems, the development of a program which will secure the cooperation of the people of the area, and a definite means of evaluating results.

When the problems of an area are isolated, then a paramount question to extension workers, becomes, "What part can the Extension Service play in their solution, and how can the Extension program be built so as to function most effectively in the solution of the problems?" In both phases of planning and development of planning economic outlook information plays a vital and a fundamental part.

One may not necessarily require outlook information in order to discover the needs of a community, but quite frequently it is essential in order to assist planning groups in obtaining a true perspective of the relative importance of various problems, and is unquestionably of fundamental value in helping to arrive at the ultimate and proper solution.

To be more effective any agricultural or extension program must be basically sound. It must also have the support of the people, therefore the utilization of the local people in program planning assumes primary importance. The soundness of a program thus developed will bear a direct relationship to the clarity of thinking of the group making the recommendations, therefore there should be provided a background of sound economic material. The presentation of outlook material in a clear and impartial manner is an essential procedure in the mechanics of such a program.

Perhaps there has been too much of a tendency to limit the activities of planning committees to the strictest interpretation that the name implies - namely, a fact finding and investigational committee to be discharged with thanks or adjourned for an indefinite period after their deliberations are completed.

It should be nothing more than an intelligent assumption that a group of people who are sufficiently interested to submit plans are equally interested in their development. Consequently there should be opportunities to utilize the support and cooperation of various members of the planning committee in the inauguration and prosecution of action programs. Under these conditions a thorough understanding of the economic outlook assumes still greater importance. It is a human trait to derive a certain degree of satisfaction in having advanced information on any subject. It appeals to the personal pride of the possessor, so that it might not be amiss to say that detailed outlook information is a reward to the individual for the assumption of a position of leadership.

Again if the leadership is to be successful it must possess the quality of being able to influence others. Contributing to such an influence is an understanding of economic conditions and of the elements which have contributed to their development. Outlook material when properly presented provides the leader with this information.

This does not mean that presentation of outlook material should be limited to members of planning groups, but that its use with planning groups should be intensified and a more thorough study of the factors both domestic and foreign which contribute to economic conditions.

Again it would seem important that the long-time outlook be stressed to a greater extent with planning groups and here we may have been delinquent.

Agricultural and Extension planning is not just an annual affair. It must take cognizance of the future. Committees are handicapped in making long time plans and recommendations due to inadequacy of long time outlook information. Consequently the provision of more of the type of material for the use of planning committees is essential.

It would seem that under present conditions the presentation of outlook material should proceed along quite different lines than formerly.

Ten years ago it was more or less of a common practice to hold the Extension Economist responsible for the dissemination of outlook information which was usually accomplished through intensive action during a relatively short period of time.

With the present development of the economic phases of agriculture intensified no doubt by the inception of Triple A programs, the presentation of outlook information becomes a year round activity. In place of investing the Extension Economist with the sole responsibility, this activity becomes an important part of the program of each subject matter specialist. It seems desirable to tie in economic outlook information more and more with the various extension activities and make it an essential factor in the development of every project. This means that instead of one specialist there will be a dozen, each of whom will be

informed of the relationship of the economic outlook to the development of his particular project.

In New Mexico we have attempted to correlate the outlook information with both Agricultural and Extension Program Planning.

At the conclusion of last year's program planning meetings, subject matter specialists were called together for an outlook school. Following the school this group of specialists met with various subcommittees from the general program planning committee.

These subcommittees embraced the various lines of work receiving attention in the county Extension Program. After the subject matter specialist had given a thorough explanation of the outlook as it pertained to that particular project the committee was asked to make suggestions as to how the extension program could be adjusted to assist in the development of program planning recommendations. Responses from committee members were quite gratifying and an excellent Extension Program based on recommendations of planning committees resulted.

We will not attempt to say that this method functioned one hundred percent nor that in all instances it was possible to carry out the suggested programs, but it tended to impress both committee and county workers with the importance of planning work. It has improved the quality of recommendations and of Extension programs and built a foundation for more effective work in the future.

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III. By Kate Lee
Program Planning Specialist
Mississippi

In order to get the greatest benefit from outlook information, a definite effort has been made to work outlook material into the regular Extension program. In our State, outlook is not developed as a separate program-unit but is assimilated into every subject matter division of the Extension program and is used as a method of program promotion.

To clarify procedure in doing this, I shall give something of the set-up of program building at present. In Mississippi we work with two organized leader-groups, one of which is responsible for subject matter only while the other is the executive body composed of officers of local clubs which in the aggregate forms the County Council of Home Demonstration Work.

The subject matter leaders who are selected by the local club membership, meet six times annually with the specialist in whose program the County is majoring. It is the responsibility of this group to take back to the community club the instructions and the demonstrations given them by the Specialist and the Home Agent. As far as practical, each leader puts these improved practices in effect in her own home to make a result demonstration for the benefit of her neighbors.

The specialist in turn is responsible for the subject matter training and for the outlook information pertaining to her project and program.

It is the function of the County Council to determine the program-subject for the year and to set in motion plans for its development. It also carries on a program at its ten annual meetings which is designed to give each officer specific information of general interest which is relayed to local groups.

Last year the State Council chose ten topics for study and presented them as suggestions to the County Councils. The State topic was called "Programs and Legislation Affecting Farm Living."

The ten topics presented were:

1. Outlook for Farm Family Living.
2. The Federal Housing Act.
3. The Pure Food and Drug Act and its application to the Farm home.
4. Child Labor Legislation and How it Applies to Mississippi and to Farm Labor.
5. Wage and Hour Laws.
6. Soil Conservation Act - What it has meant to your State, County and Community.
7. Rural Electrification.
8. Social Security Act.
9. Farm Security Program.
10. Farm Bureau - Women's part in it and how your council can cooperate.

Each County Council was expected to select not less than eight of these topics for study.

In order to measure achievement of results this score for County Councils was set up:

BASIS OF AWARD - COUNTY COUNCILS

	Points
1. Meetings held	10
2. Organizations in county and families reached	10
a. New members	2
b. New clubs	3
c. Families reached	5
3. Coordination of the program with the County Agricultural Policy and Planning Committee	20
4. Goals and accomplishments	40
a. Major program	12
b. Minor program	10
c. Recreation	10
d. 4-H club cooperation	8

5. Educational topics on council program 20
 (Other than regular business)
 Suggested topics were given in County Council Suggestions for 1938, and include all other farm programs, legislation, county agricultural planning. The Unit Demonstration farm program should be presented to the council at some time during the year.

A certificate was awarded to each County Council making a total of 80 points, as shown from record book sent in.

In order to inspire individual activity on the part of Council members a score was made by which her activities were measured and an individual certificate issued if her score reached 75 of the 100 points.

BASIS OF AWARD - COUNTY COUNCIL MEMBERS

Points

1. Attendance at council meetings 30
2. Member's part in taking council programs back to her local club 30
 (Were educational topics repeated on club programs and did member feel it her duty to carry program back, or did she depend upon the home demonstration agent to do same. Shown by the narrative report turned in to agent.)
3. Club goals planned and accomplished 40
 (As shown by secretary's record book turned in to agent on date requested by her)

Likewise the subject matter or project leaders were given certificates of achievement when they met the requirements in attendance at leader training programs, presentation of method demonstrations and information at local club and compiling of required reports from the club membership.

A certificate such as this is in one sense just a mere slip of paper, but with it goes recognition to the leader of service rendered to her family, her community and her county. Does not this recognition satisfy the human desire for commendation of work well done?

These two groups meet together twice each year; in its beginning to set up the program and plan of work and at its end to assemble the record of achievement of the goals set by them at the first meeting.

In each of these joint sessions to help evaluate what is to be done in the light of what has been done and the outlook information, the following material is presented either in posters or on a blackboard.

1. Map showing location of women's and girls' clubs.
2. County analysis of conditions (or outlook revised to fit county conditions).
3. Problems recognized by the County Coordinating Committee.
4. Goals set by the program planning session of this group.
5. Methods of reaching goals.

6. County Council program of work.
7. Program of work for subject matter group.
8. Monthly program of Local Clubs as shown by yearbook.
9. Calendar of work by months.
10. Cooperation with other organized agricultural groups.

The State plan for using outlook information for 1939 is still incomplete. However, the 1938 procedure will be continued in the women's program and in addition to this, outlook information will be presented to the group designated as the County Coordinating Council. This group is, as the name implies, composed of all Federal and State paid agricultural and home economics leaders in the county, for example:

- Farm Security and Home Supervisor.
- President of County Farm Bureau.
- President of County Farmers' Cooperative.
- Smith-Hughes Agriculture and Home Economics Teachers.
- Soil Conservation Service.
- County and Home Agents.
- County Health Unit.

This organization was formed in January 1938 by the State leaders of the respective agencies and the organization in the County has for its purpose the strengthening of the big agricultural program within the county. The County Coordinating Council holds monthly meetings to discuss their respective programs with reference to methods of approach, progress of development, conflicts and duplications. In some instances several of these Federal agencies work with the same family, but on the other hand there are many, many instances where a family is touched by only one agency.

Outlook information was formerly passed out through the Extension group only, whereas for 1939 it will go through every agricultural agency represented on this Council.

Let's think for a moment and see if the problems of these agencies are similar. Take the cotton program, for example:

Present condition -

- Limited acreage.
- Largest surplus of cotton in history.
- Little increase in home consumption of cotton.
- Decrease in the foreign markets' trade.
- Unfavorable prospects for regaining these markets.
- What would be a normal procedure:
 - Increase yield per acre.
 - Grow improved varieties.
 - Lower the cost of production.
 - Plant soil building cover crops.
 - Emphasize soil conservation practices.
 - (For which the farmer receives pay).

This is merely one problem in a county agricultural program, but would the same type of outlook information relative to the cotton program be usable by each agricultural agency? Would the same thing be true of the farm family living program? Each agency would have a different approach but would use the same outlook information. What one organization teaches should stand the test of the other groups. Through this plan we hope to reach all groups in an organized procedure with outlook information in 1939. Since Mississippi is one of the States in the very low income level, it can't be set up as, "Is this the time to buy new sheets or the year to buy towels?", but it must be the immediate needs of the farm family that must determine this small outlay of cash. I agree with the speaker on Tuesday who said, "There is some evidence of planning."

What we in Mississippi need most from outlook information is background for planning; and what we need from the farm people is more farm records made to help farmers to recognize the weak spots in their individual farm businesses.

UTILIZATION OF OUTLOOK MATERIAL IN CONSIDERING THE NEEDS
FOR A CITRUS FRUIT MARKETING PROGRAM

C. V. Noble, Head, Department of Agricultural Economics,
Florida

For many years it has been the belief at the Florida Agricultural College that the growers of citrus fruits were not well informed as to the real situation in the prospective upward trend in citrus production. An intensive educational program to acquaint growers with the facts was discussed from time to time, but not until the fall of 1937 did this program begin to take definite shape. Much planning for this program was carried on during the winter and early spring, and in mid-April a complete plan to conduct citrus educational meetings in representative communities of 25 citrus producing counties was formulated. These meetings were scheduled over a three-week period in late April and early May, and were conducted by representatives of the Federal and State Extension Service, and members of the Florida Experiment Station. Three topics were presented at each meeting. The first topic was the presentation of the citrus situation, based upon outlook material. The second speaker presented the results of citrus cost of production studies. The third topic dealt with some citrus insect or disease problems and their control, or some phase of citrus culture of special interest to the particular community. These meetings were well attended, there being about 1,400 growers and shippers in attendance at all meetings.

The principal purpose at this time is to point out the use made of outlook material in the presentation of the first topic at these meetings. Much credit is due Dr. F. F. Hedlund and Mr. Nathan Koenig of the Agricultural Adjustment Administration for their assistance in the preparation of suitable charts and other materials for use in these meetings. Dr. W. C. Ockey of the Federal Extension Service rendered invaluable service not only in assisting in making plans for the meetings, but also in helping to conduct a number of them. From the charts prepared, the following series was used at most meetings:

1. Grapefruit Production Increased Rapidly.
2. Young Trees Dominate Grapefruit Picture.
3. Grapefruit Canning Grows in Volume.
4. Monthly Grapefruit Shipments by Areas.
5. Florida Grapefruit Rules Eastern Market.
6. Grapefruit Growers Get What is Left After Marketing Costs are Deducted.
7. Distribution of Texas Grapefruit Shipments.
8. Distribution of Florida Grapefruit Shipments.
9. All Areas Show Steady Increase in Oranges.
10. Age of Orange Trees by Producing Areas.
11. Monthly Orange Shipments by Areas.
12. Florida Oranges Lead in Eastern Auctions.
13. Distribution of Florida Orange Shipments.

Many additional charts were prepared, such as price-supply relationships for different kinds of citrus, relative plantings of different varieties of oranges and grapefruit, separate charts on Florida tangerine situation. Some of these charts were used at times.

A mimeographed summary of the subject matter presented, bringing out Florida's place in the citrus industry, was prepared and distributed at the close of each meeting (1).

After the presentation of the other two topics, the meetings were opened for questions and discussion. At some meetings there were interesting discussions of the last two topics, but invariably there was discussion of the first topic. Growers could readily visualize the marketing problem of the future. These discussions usually terminated in suggestions that future meetings of this type were desirable. Grower committees were appointed in more than half of the citrus counties at these meetings to work with the county agent in developing future programs.

At the time these meetings were held, citrus growers were organized in but one county. At the present time (October 19, 1938) there are 20 counties organized and they have formed a state organization "The Florida Citrus Growers, Inc." In fact, practically the entire citrus area of the State is organized. Of course, their most urgent problem now is to find a market for the tremendous crop of fruit in their groves, but the purpose of these grower organizations is to become better informed on all matters concerning the citrus business and to be in a position to intelligently act as a unit.

Soon after these educational meetings were held last May, growers were inquiring of county agents as to topics concerning the citrus industry that could be presented at future meetings. A list of topics was furnished by the Extension Service on May 24, 1938 (2). Since the organization of The Florida Citrus Growers, Inc., a similar request has been received from this organization and a list of subjects and speakers was furnished the chairman of the program committee of each county organization on October 8, 1938 (3).

The citrus outlook material used in these educational meetings, together with much that was not used, has been published by the Agricultural Adjustment Administration in its Marketing Information Series, GCM-5, entitled "Recent Changes in the Florida Citrus Industry" (4). Other current material that will be helpful in placing before growers the facts concerning Florida citrus has been prepared and mimeographed by the Florida Extension Service, as follows:

Florida Citrus Production and Auction Market Summary, Season 1937-38.
Parts I and II, issued Aug. 1, and Oct. 19, 1938, respectively (5 and 6).
Citrus Canning in Florida, issued Oct. 14, 1938 (7).

One other Florida publication which contains a brief summary of the general outlook for citrus fruit in its introduction is the Seventh Annual Summary of Florida Citrus Costs and Returns, Misc. Pub. 26, July, 1938 (8). This citrus cost of production work furnished the basis for the second topic at the citrus educational meetings.

In summary, it is the belief that the citrus outlook material has been of real value in Florida in aiding growers to grasp the acute marketing problem that is facing them. They are organizing for the purpose of self-help, and it is believed that the grower will have more voice in the shaping of marketing policies for his product in the future than has been true in the past.

THE APPLICATION OF OUTLOOK MATERIAL IN MAKING ADJUSTMENTS
TO FARM MANAGEMENT PROBLEMS

H. C. Holmes, Extension Economist,
Tennessee

To discuss the application of outlook material under Tennessee conditions, it would be well to review briefly the wide variations in the agricultural economy of the State.

Tennessee has been divided into 15 type-of-farming areas. These areas vary greatly. In some, cotton predominates; in others, tobacco; in still others, livestock. Dairying is carried on throughout most of the State and varies from the sale of surplus farm butter to the production of certified milk. Fruit and truck crops include apples, peaches, strawberries, Irish potatoes, sweet potatoes, cabbage and tomatoes and are found in local areas. A number of these crops are marketed fresh. In addition to this a number of canneries are located in various sections.

Variations in climate are wide, as is the variation in type of farming. Wide differences exist between the relatively high mountainous areas of upper east Tennessee and the low level areas in the western part of the State.

Tennessee is a State of small farms and the trend is steadily downward. The average size of farm in Tennessee has decreased from 124 acres in 1880 to 70 acres in 1935, of which only 28 acres are in crops.

A still further complication in the agricultural make-up of the State is the type and extent of tenancy that prevails. Forty-six percent of farms are operated by tenants and sharecroppers, of which slightly less than half are sharecroppers. One-third of all the croppers are negroes; two-thirds of all the negroes are croppers.

To summarize Tennessee's agriculture, about one-fourth of the farms would be classified as cotton farms; about one-fifth, general; one-fifth, self-sufficing; and the others grading from such specialized crops as tobacco and truck crops to livestock farms of one type or another. Thus, Tennessee's agriculture is so complex with such a wide variety of crops and livestock enterprises carried on that no one phase of the agricultural outlook is adequate.

Few farms are specialized in the usual sense of the word. A wide variety of products are grown in most areas. There are few large commercial producers of specialized crops or livestock. This makes it necessary that a rather complete adaptation of outlook material be made for best results.

Organization of Extension Personnel

The extension specialist force in Tennessee is composed of the usual lines of work; in addition to the specialists, we have a county agent in each of the 95 counties, home demonstration agents in 60 counties. There are also 10 negro county agents and 5 negro home demonstration agents.

The economics group, composed of farm management and marketing specialists, works in harmony with the production group and furnishes economic information for the carrying out of a complete program with the respective lines of work. The production specialists cooperate with the economics group in the

fitting in of the various lines of work with the immediate and long-time outlook for the various farm commodities.

Preparation of Outlook Material

The national outlook statement is made available for general distribution. It goes to all specialists, county and home demonstration agents, vocational teachers, farm leaders, and farm organizations. It is also available in the county offices to those farmers who desire this information. We, in Tennessee, have never seen fit to publish an annual outlook statement since the national outlook publication covers more completely the many phases of the agricultural situation, and for those people who care to go into the outlook in detail, it serves its purpose admirably.

The general outlook and the outlook for those crops and livestock important in the type-of-farming area, is presented each year to county farm leaders at the leaders' meetings held in each of the various counties early in the year.

News stories of a timely nature dealing not only with the outlook but with production practices as well, are prepared by the production specialists with the cooperation of the economics group. These articles are sent to all newspapers of the State through our news service and are published in 140 weekly and 26 daily papers, having a combined circulation of 750,000.

Stories covering tobacco marketing, outlook, hog prices, demand for farm products, income to farm families, etc., are prepared. All of this work, of course, is done by the various specialists and the editorial office or adapted from U. S. D. A. material.

The maximum acreage of cotton, tobacco, wheat, and other important depleting crops, is largely determined for each individual farm by the Agricultural Conservation Program. Since the state headquarters of the Agricultural Conservation Program and the state headquarters of the Extension Service are together, and the county work is all directed from the county agent's office, the educational work on the outlook for these major crops, as well as the general agricultural situation, is done in connection with the educational work on the farm programs, as it appears that the two should logically go together.

The radio is used quite widely in disseminating outlook information. This is done by using farm flashes that are prepared in Washington and by tying in state outlook and production information into short production-outlook discussions. Such radio broadcasts are sent out by seven stations scattered throughout the State. Since 54 percent of our farm families have radios and a large number of these people are steady listeners to the farm programs, this method of dissemination of outlook and production information seems well worth while.

Application of Outlook Information to Yearly Farm Plans

Most farmers in our State are afflicted with "spring optimism." It seldom lasts through the fall marketing season. Tennessee farm businesses are, as a rule, entirely too small. Small businesses, low production, and inefficiency combine to present a problem of major importance to the agricultural worker.

To know that the price of cotton is going to be lower is one thing; to do something about it is entirely different. There are certain specific adjustments that can be readily made, however. One that is frequently used in Lake County, where cotton is practically the only crop and the soil is all about alike, is that if the expected value of 50 pounds of lint cotton is enough to buy 100 pounds of nitrate of soda, pay the extra labor for applying, the picking, and leave a profit-- they fertilize.

Similar adjustments are made by farmers within the trucking area of the State. In the case of those farmers, however, such a large proportion of the final outcome is a result of weather conditions there and elsewhere that adjustments are at best a gamble.

The better farmers in the truck crop area adhere to a system which includes about the same acreage of cabbage, tomatoes or cotton year after year. There are, however, every year a number of growers, who, afflicted with spring optimism, set out to "shoot the works" on cabbage. The usual condition is, however, that they need financing and to plant in excess of the usual acreage it is necessary to do it on someone else's money. The P. C. A. and local banks with whom we work closely do not approve farm plans of this kind, but adhere quite closely to a more rational balancing of these crops.

Short-time Adjustments by Individual Farmers

Adjustments on farms to meet an immediate situation are frequently made by farmers. Such shifts are not usually, and should not be, such as would change the organization of the farm but occur largely where the opportunity for a decision exists. For example, the major sweet potato area of Tennessee is in two of our west Tennessee counties. Here the cash crops are tobacco, cotton, and sweet potatoes. Following a year of unfavorable sweet potato prices, farmers shift to cotton, as the two crops require similar land and effort. If, on the contrary, sweet potatoes pay relatively more than cotton, the tendency is to increase potatoes and decrease cotton.

The change to or from sweet potatoes and cotton does not seriously affect the cotton acreage, but the percentage change in the acreage of sweet potatoes is important. Such a condition was very pronounced in 1934, and the outlook for sweet potatoes seemed favorable, but farmers' intentions to plant showed a decided shift from sweet potatoes to cotton. Early that year, we prepared a letter to sweet potato growers for the county agent's signature. This letter was sent to several hundred growers in the area. While we do not have an accurate check as to how each farmer adjusted his plans, we do know that farmers in that area set a larger acreage of sweet potatoes than they originally intended.

Wayne Parham, a farmer near Martin, Weakley County, said he would have not set his usual acreage had it not been for that letter that he received early in the year. It so happened that the situation turned out as the outlook report indicated, and everyone was happy. I shudder to think what would have happened if sweet potatoes had sold again that year for 15 cents per bushel.

Shifting the Farm Organization to Meet Yearly Changes

Drastic shifts in the organization set-up of most farms to meet rapidly changing conditions is not only unprofitable but is dangerous. A good example of bad business is the case of a hardware merchant who, accustomed to a quick business turnover, sold his business and bought a good 320 acre farm in 1921, moved to it and attempted to apply the same principles of management to the farm that he had used quite successfully in town. He was looking for a profitable type of farming and began by first trying beef cattle, then dairying, poultry, hogs, and sweet potatoes in succession. With favorable prospects for each enterprise, he expanded his buildings and equipment until after a plunge into each, he had accumulated a beef cattle barn with two silos, a dairy barn, a 400-hen laying house, two brooder houses, a large sweet potato storage house, and a large part of his farm fenced with hog-proof wire. His farm program in 1933 was about 40 acres of cotton, 25 acres of corn, 25 acres of hay. His livestock consisted of three dairy cows, seven mules, and one sow. His labor force consisted of four share-croppers. His corn and hay was all needed on the farm. His cotton was his sole dependence for income from the farm. This farmer said that he had tried all the crops and livestock and he couldn't make anything out of any of them. Just as soon as he got started, prices would go down. It was indeed fortunate for this farmer that he was a member of the school board and that his wife could run the cafeteria at the high school.

Paradoxical as it might seem, there was a negro share-cropper on a farm near Cloverport, 20 miles west who, with only his family, two mules and 26 acres of cotton, produced approximately the same amount of cotton and had about the same amount of gross sales and made much more profit.

Probably the most outstanding application of outlook information to individual farm plans has come as a result of our work with farm budgets. From a small beginning in 1932 we have increased the application of this approach to yearly plans until we now have a demand for over 30,000 copies yearly.

The budgets are made out by farmers early in the year and include an estimate of the amounts of food, feed and cash that is needed to support the family, operate the farm, and meet the obligations. It also includes a plan for supplying these needs and the farm plans for the year as to the estimated production and sale of crops, livestock, and livestock products. All this involves not only how much is expected to be available for sale, but the expected price.

It is by the balancing of food and feed production to requirements and the provision for supplying the necessary cash income that improved farm practices can be and are fitted in.

This method of application of probable market conditions and production practices offers a step by step method for a long-time program on each individual farm with which we work. Obviously, such a program is not one for the farm management specialist alone, but is and I think should be the joint responsibility of every man and woman in the extension organization.

We do not even confine this project to extension work. The same procedure is used by Farm Security workers, with whom we cooperate closely. Smith-Hughes teachers in the various high schools are using this method more and more.

Long-Time Outlook

The outlook has never been, nor do we expect it ever to be, favorable enough for farmers to continue a one-crop, soil-depleting type of farming that is all too common in parts of our State. Gradual changes are taking place in our dark tobacco and upland cotton areas, and while temporary conditions made the picture appear more favorable from time to time, we know, and so do many of the farmers, that adjustments must be made on the individual farms to meet these conditions. The long-time outlook both in general and for specific supplementary farm products should have a part in determining the nature and direction of these changes.

We are attempting to set up in our State a long-time program for each of the major type-of-farming areas. This program, to be effective, must originate from the farmers themselves. It is, however, our responsibility to furnish all the pertinent, factual information that might have a bearing on the subject. This includes the records of what has been done as shown by the analysis of some 15,000 farm records and what is likely to occur as evidenced by the outlook for the future. We feel that the long-time outlook for individual farmers in the various type-of-farming areas of our State is both favorable and unfavorable. Favorable for those farmers who can and will adjust their farm businesses to meet changing situations; who can by the use of good systems of soil management, crop production, livestock management, and with efficient farm organization lower their costs of production. But decidedly unfavorable for those who cannot or will not make the necessary changes and who attempt to continue on year after year with poorer land and higher costs.

Long-Time Adjustments

It has been our experience that farmers are generally in better position to adjust their farm businesses to long-time trends than to make very drastic adjustments to meet emergency periods. Here again production and economics seem to be tied closely together. An example of this that is quite striking is in the case of dark-fired tobacco. The center of production of this area is along the northern border of the State in Montgomery and Robertson Counties.

For a number of years the demand for dark tobacco has been falling off. Growers in our section have been looking with anxiety at the decreased demand for our types and the decrease in demand for such of our dark tobacco as formerly was sold to foreign countries. Each time when the picture has looked darkest, something has happened, however, to give temporary relief. The farmers in this area are gradually shifting their farm organization, increasing numbers of livestock to take care of home needs, particularly on those farms where the quality of tobacco has not been so good. The best tobacco growers feel that they can stay with tobacco as a principal crop but are balancing their business with livestock and other crops for efficiency and safety.

The sweet potato industry in Tennessee is practically confined to four counties and amounts to about one and one-quarter million dollars per year. The leading variety produced is Nancy Hall. Naturally there are many problems of production, but coupled with this the demand for our potatoes had been steadily declining. The outlook for the future was not

encouraging. The problem was to find out what, if anything, could be done. With the cooperation of the Bureau of Agricultural Economics a number of receivers in various important markets were contacted. It was found that the trend in those markets was toward a more moist potato, such as the Porto Rican type. Porto Ricans yield less with us, and then too, there are other problems to be solved.

One community is now set up to try out this shift, along with the production improved methods of curing and storage are being tried. We, of course, don't know yet whether or not the increased price will offset the reduced yield. This shift is not attempted because of yield or soil, but because of the outlook for the two types of potato.

In the hill cotton section, the long-time outlook for cotton has created a feeling with upland cotton growers that has been expressed many times in such statements, as "We farmers have got to depend on something else besides cotton." This attitude has reflected itself in farmers' plans, in which rather marked changes are being made toward the seeding of the poorer land to legumes and grass and the adding in of livestock, much of which was badly needed for home use, and in many cases the addition of another cash crop such as lespedeza seed, crimson clover seed, or potatoes for local markets.

Short staple, poor quality cotton produced by hand labor on poor hill farms does not appear to be in as favorable competitive position as cotton of better quality and staple. There is little that farmers can do about this immediately as the preparation and possibility of gin mixing are almost beyond his control.

Through educational work undertaken by the Agronomy Department, one-variety communities are being established. Cooperation of ginners and farmers to improve the staple and quality of cotton now seems assured. Something like 125 such one-variety communities have been set up. To me this is application of outlook information in an organized way.

Unit Test Demonstration Farms

In looking toward the actual accomplishment of adjustments on individual farms, we now have in operation in cooperation with the Tennessee Valley Authority 3,600 unit test demonstration farms scattered throughout various agricultural areas of the State within the valley. The purpose of these farms is to serve as pilots, so to speak, in those type-of-farming areas of improved land use, soil management, and farm organization practices.

Each of these farmers prepares a budget, such as I have mentioned, each year, in which he appraises his plan and its probable outcome. In addition to this, he plans for some four or five years ahead his land use and the shifts in his farm organization that he is attempting to make.

The shifts in crops or other enterprises and general farm reorganization take into consideration not only the proper land use but the long-time outlook for each of the various enterprises.

Training of Personnel

It is not enough merely to help a farmer grow good cotton or a good litter of pigs. Nor is it enough to teach outlook in December and forget it until the following year. The application of economics should run through each production enterprise, each production enterprise should be fitted into the farming unit-- not just thrown together but blended into a workable farm business unit.

To do this we must look at the whole farm business as such, not just a fragment of it. Personnel must be trained to carry to the farm a well-rounded program, not one that is cut to order, but one that fits the particular man, the area, the farm and conditions.

With the very splendid cooperation of Mr. Dixon and Dr. Vaughan of our Washington office, Dr. Brumley of Louisiana, Dr. Johnston of Illinois, and many others we have held a short course for extension workers each summer for the past several years. At these schools the use of outlook material in Extension programs is stressed. Results to date have been very satisfactory.

This year we have held 17 farm planning schools for small groups of county workers in various sections of the State. These schools have been attended by county and home agents, Farm Security workers, and in some cases by some members of the Soil Conservation Service and T. V. A. At these planning schools an actual farm is studied in detail, both as to land resources and family requirements, and a basis for successful operation is worked out. Here again outlook information is a necessity. We must anticipate the probable income for the immediate future as well as for some years to come. Extensive use is made of farm business records secured in the area during the past. We must also know the trends for the future.

To summarize the use of outlook information in Tennessee:

- First -- A brief summary is prepared and sent to all agents and leaders. Copies are made available in the county offices and distributed to farmers.
- Second-- The national publication is sent to all agents, farm organizations and farm leaders.
- Third -- The outlook, adapted to each type-of-farming area, is presented to leading farmers in the leaders' meetings of each county early each year.
- Fourth-- Use of outlook information is tied in with production programs by the various production specialists throughout the year.
- Fifth -- The outlook for the various commodities is used and becomes a part of the farm budgets made by farmers.
- Sixth -- Outlook information is taught and applied in the short course for Extension workers and applied to the various type-of-farming areas in the farm planning schools.
- Seventh-- The long-time outlook as it applies to each of the type-of-farming areas of the State forms the basis for our long-time extension program toward which we are all working and without which we feel that satisfactory progress cannot be made.

We in Tennessee don't think we have the answer to all these problems by any means. We are on the lookout at all times for means of bettering our approach. We want all of the help we can get. The best we can say is that we are trying.

POPULAR PRESENTATION OF OUTLOOK INFORMATION

Lauren K. Soth, Extension Specialist in Economic Information
Iowa

Know your audience. That's the first essential in getting across ideas, whether your job is presenting outlook information or selling razor blades. You must speak your audience's language. That's trite, of course, to a group of extension economists. Most of you have spent much of your time conducting farm meetings and you realize (without my telling you) the problem of presenting your material in a form and in a language farmers understand.

But the printed page does something to all of you. The minute you take pen in hand you begin to wonder what Johnston at Illinois or Breithaupt at Oregon will think of your masterpiece. Unconsciously, you begin to write for posterity. You begin to think of yourself as a professional economist, not as a teacher, not as an extension man.

Gradually you forget your audience, which is real and unforgettable when you stand before it in person. Through trends, percentages, demand curves and the balance of trade you plod your dauntless way. By the third paragraph you have lost sight completely of anything so mundane as an over-all farmer, who lives, breathes, sells his hogs for money, and uses that money to buy clothes, cream separators and haircuts, and who will read your dissertation by lamplight. Instead, you are thinking of what the head of your department might think if you forgot to qualify your statement that apple prices would be higher with a "however, they might be lower, if, etc."

Having completely forgotten your real audience, you of course make no effort to be appealing or to encourage people to read what you have to say. You take the attitude that if they don't read it, that's their hard luck and they may suffer the consequences. Why a man who can hold the attention and interest of a group of farmers for two hours on the subject of "Livestock Marketing Problems" cannot hold them past the second paragraph on the same subject in a bulletin has always been a puzzle to me. Your writing must not only satisfy your standards of accuracy and logic, it must be interesting. Of what value is your technically unassailable outlook report if no one reads it? Better have a few mistakes and a few readers. I'm not advocating that you distort the facts in order to attract attention, although I think a little flippancy, light and air wouldn't hurt most economic writings. But I think you can be strictly accurate, strictly factual, and still be interesting.

People who study economics to excess frequently forget that it is a study of human behavior. They become so interested in abstract concepts that they forget these concepts are based on human actions and reactions. Economics has to do with life just as much as football or the Lambeth Walk.

When you think of consumer demand for farm products increasing, think of it as a housewife in Detroit with three more dollars to spend for food this week. Think of demand in terms of her daily trip to the grocery store.

Of course, economists, like all scientists, must be abstract. They must take short cuts. Economic research is no doubt expedited by these short cuts and abstractions. We couldn't do without them. And among ourselves, let's be just as abstract as we want to be. Transference of ideas

among ourselves can be accomplished through our own specialized sign language, if necessary. My own opinion is that much of it is unnecessary as well as dull. At least let's not try to work it on the general public. It never works very well.

The point I'm trying to make is that in writing for the general public we should write about people and what they do -- the stuff of life -- not about the dull, inanimate concepts we use among ourselves. Here's a statement from the Bureau of Agricultural Economics 1939 Outlook Report, picked at random, which may explain what I mean. "The area seeded to feed grains in 1939 may be somewhat greater than the 1938 acreage." Apparently the area is going to seed itself. Why not say, "Farmers probably will plant more acres of feed grains in 1939 than they did in 1938."?

Here's another from the Outlook Report: "Total world mill consumption of 26.4 million bales of cotton in 1937-38 was 15 percent below the record consumption of the previous season but was 0.8 million bales larger than the 10-year (1927-28 to 1936-37) average and the third largest in history." Whew! Such sentences seem to be trying to avoid admitting that people had anything to do with cotton consumption. Consumption is treated as a statistical thing -- not as a human action. The writer is interested in the movement of a line on cross-section paper. So far as he is apparently concerned consumption happens by itself. Here's a redraft with, I hope, more life and meaning: "Textile manufacturers in all countries used 15 percent less cotton in the marketing year ended July 31, 1938 than in the previous year, when they set a record. Their year's total, 26.4 million bales, was about average for the previous ten years and third largest in history."

What I've been saying about writing applies equally to your charts. They should be simple in all cases and animated if possible.

For outlook information, pictorial charts may be used almost exclusively. For the most part, we are interested in presenting broad changes in data and not minute fluctuations. Rows of pictorial units, like bushels of wheat, or steel rails, are not only an effective way of attracting interest but are accurate enough to please the most precise statistician.

Some time ago I made a brief study of the effectiveness of different ways of presenting economic statistics. I tested three types of presentation: pictorial diagrams, line graphs, and short, simple tables. The data were the same for all three types. They covered typical outlook material. I showed samples of these three types of presentation to groups of college students of freshman and sophomore rank. Then I gave these students a true and false examination immediately following the presentation of the charts. Since the students were all of the same rank, I was able to get what I believe is a fairly good comparison of the effectiveness of these three types. Each chart was shown for 30 seconds. Four minutes were allowed for answering the true and false statements. There were five charts in each group.

On grading the true and false exam, I found the highest percentage of error was made by the students who saw the line graphs. The percentage of error on these charts was 25. The next highest percentage of error -- 17 -- was for the tables. The students who saw the pictorial diagrams made the fewest errors -- 14.5 percent.

This study indicates that for broad variations in data, pictorial diagrams are more effective in getting across the idea than the other two types. The relationships are shown as accurately as by bar diagrams and are more easily remembered because the symbols make more realistic and lifelike the physical things which the data represent.

I should add that I realize fully that some types of economic information cannot be presented by pictorial diagrams. For some purposes, line graphs are indispensable. For detailed fluctuations in prices of corn, say, no pictorial diagram will do the job. On the other hand, comparing the level of corn prices in 1938 with the level in 1937 is a job for the pictorial diagram.

PLANS FOR SELLING SURPLUSES TO AMERICAN FAMILIES
WITH LOW INCOMES

Summary of Discussion Led By -
P.V. Waugh, Principal Agricultural Economist
Division of Marketing Research, B. A. E.

The principles of export dumping have just been discussed. We have seen that whenever it is practicable to sell surpluses in a foreign market where the demand is more elastic than in the domestic market, the income of farmers can be raised by selling abroad at low prices and by maintaining prices in this country. The same principle applies to any kind of two-price, or multiple-price arrangement whereby different parts of a crop are sold at different prices. Classified milk prices, for example, give the dairyman a higher income because they ordinarily are so arranged that the price is highest in the least elastic market and lowest in the most elastic market.

This suggests a general approach to the surplus problem which might be of great benefit both to agriculture and to the consuming public generally. Several plans are being studied to make surpluses available at reduced prices to low-income consumers in this country. Although the statistical evidence is far from satisfactory we believe the demand of low-income groups for most foods is much more elastic than the demand of other groups.

Any plan which made surplus foods available to the low-income families would tend both to raise the incomes of farmers and to provide a better diet to families which are now badly undernourished. We shall not discuss here the many problems of administrative detail which must be met in such a program, but we believe there are several practicable schemes which are worth trying.

It should be understood that such a plan for marketing surpluses is not offered as a cure-all to replace the present farm program. It would supplement the present program, and would not be in any way inconsistent with it.

PRICE-FIXING PLANS

Summary of an address by F. L. Thomsen, Bureau of Agricultural Economics, before the annual outlook conference of representatives of the state agricultural colleges and the Bureau of Agricultural Economics, Washington, D. C., October 25, 1938

Possible methods of price fixing may be classified according to different criteria. That used here will be the proportion of the supply affected. Some price-fixing schemes involve fixing the price of the entire supply of the commodity marketed. This might be attempted by establishing a legal minimum price, without attendant measures designed to make the fixed price practically operative; or, price fixing in effect could be accomplished by means of a Government guarantee, minimum loan values, or price-pegging purchases. Both theory and experience indicate that attempts of this kind to fix commodity prices will not work satisfactorily except under conditions of rigid economic controls not feasible in the United States. Such schemes are likely to result finally in a worse situation than that which it was hoped to cure.

The form of price fixing in which most interest has been exhibited recently is that represented by plans for fixing the price of only that portion of the total supply of exported commodities which moves into domestic consumption. Under present conditions, the price which can be obtained for the domestic portion of some crops is limited by the price which can be obtained for the exported portion, and one price prevails for the entire supply. Under the proposed price-fixing plans, the domestic and foreign markets would be separated, with the fixed price applying to the portion sold domestically and a freely competitive world supply and demand price for the remainder.

It is important to note that mere "separation" of the domestic and foreign markets will not result in the desired increase in domestic prices. Higher domestic prices can be effected only by altering either the demand for or supply of the commodity. Since price-fixing measures would not change the price which domestic consumers are willing to pay for any given quantity of the product, it would be necessary to change the supply. If 80 percent of a crop is now being used domestically and 20 percent exported, in order to obtain a higher price for the domestically consumed portion of the crop it would be necessary to sell something less than 80 percent in the domestic market, the exact amount of the reduction depending upon the amount of increase in price desired and the elasticity of domestic demand. The amount of the commodity then remaining to be sold abroad would be increased. For these larger exports a lower per-unit price would be obtained, depending upon the amount of increase in exports and the elasticity of foreign demand.

Producers are primarily interested in their total income rather than in price. The net change in the income of producers resulting from the price-fixing plan would be measured by:*

Total supply x new percentage used domestically x fixed price
= domestic returns under plan
Total supply x new percentage exported x new world price
= total export returns under plan
Total returns under the price fixing plan
= sum of above

Total supply x price with no plan
= total returns without plan
Net effect on producers' income
= difference (plus or minus)

*In order to simplify the discussion, the relation between longer-time effects and the elasticities of domestic and foreign supplies has been ignored. Also, the fixed domestic price might apply to a portion of either the base production or current production, with the significance of the supply factor correspondingly affected.

It is evident that the effect of such a price-fixing plan upon the incomes of producers would depend primarily upon the elasticities of domestic and export demand. While we cannot measure exactly the elasticity of domestic and foreign demand for individual commodities, we can reach some fairly reliable conclusions regarding the probable results as applied to different products:

(1) This method of price fixing would not increase the incomes from any commodity that is not exported or for which new export outlets could not be found at the lower export prices which would prevail under the plan. For this reason the plan might not work satisfactorily in connection with such important commodities as cattle and sheep and lambs, poultry, eggs, highly perishable fruits and most vegetables.

(2) No net benefits would accrue under the plan, or losses might be sustained, in the case of products for which the domestic demand is more elastic than the foreign demand. An example of this kind of commodity probably is hogs, for which the domestic demand is relatively elastic. Under present restrictions on international trade foreign demand for pork is quite inelastic.

(3) Other things equal, the plan would not work as well in connection with commodities for which the United States' exports represent a large proportion of total world supplies, or represent a large proportion of total domestic production. The reason for this is that a given percentage increase in our exports would have a larger percentage effect on world prices if the proportion of the world supply represented by our exports is large; and if our exports constitute a large proportion of domestic production, the reduced price which it would be necessary to take for the exported portion of the crop would be more important in relation to the higher price obtained on the domestic portion.

Important commodities subject relatively little to these limitations are wheat and cotton. Even to these commodities, however, the limitations noted in the preceding paragraph would apply in part. Also, in the event of attempted application of such a price-fixing plan to wheat and cotton the governments of foreign importing or exporting countries might take

retaliatory action so as to nullify any benefits which otherwise might accrue to growers. This danger applies, in addition to many of the other limitations noted, to all other commodities.

From these considerations, it seems evident that the operation of any plan in which the domestic price would be fixed, while the price of exports would be allowed to seek its own level in world markets, could not be expected to increase greatly incomes of farmers as a whole, or in any sense to "solve the farm problem". The principal appeal of such a type of plan if applied to a base rather than current production, would be in its application as between individual producers. Those producers who wished to receive a relatively high price for a small production could do so, while those who because of low cost of production or other reasons wish to produce unlimited quantities could do so if they were willing to accept quite low prices for the amount produced in excess of their domestic quota. Thus, individual producers would have greater freedom of action, and nobody could complain that they failed to receive a reasonable price for that portion of production over which the Government could be expected to have any market control.

In the foregoing discussion, nothing has been said regarding possible legal or administrative procedures by which the separation of the domestic and foreign markets and establishment of the two-price system could be effected. There are at least 3 alternative procedures for this purpose. Under each of these the producer's share of domestic consumption could be related to his share of current production or to his share of some base production. The latter would be definitely preferable from several standpoints.

(1) A Government agency could be set up to purchase the quantity which it would be necessary to export under operation of the plan, issuing surplus receipts for each producer's pro rata share handled in this manner, such receipts to be redeemed later after disposal of the exported surplus. The remainder could be allowed to enter the domestic market at a competitive price which in effect would be fixed by the quantity available for domestic use; or, the Government might establish a legally fixed minimum price for this portion of the crop. This might be designated as "domestic price fixing".

(2) Each producer could be given certificates covering his pro rata share of domestic consumption, and no domestic processor would be allowed to buy the product unless accompanied by a corresponding volume of certificates. The certificates would be bought and sold in the open market, could be freely transferable, and would act as a form of crop insurance for producers having crop failures. Since the quantity of certificates would be limited, the quantity of the crop used domestically would be correspondingly limited, and the price would in effect be fixed. This is only one of several very similar plans which might be designated by the generic term, "domestic allotment".

(3) The Government could pay to the producer the difference between the open-market price and the price fixed for the domestic portion of the crop, from funds collected by processing taxes on domestic processing, which tax would automatically reduce the amount domestically consumed. The "fixed" domestic price would be the market price plus tax; or, to producers, it would be the market price plus benefit payment. This plan was a part of the original Agricultural Adjustment Act, and is essentially the same in principle as the several current proposals variously designated as "domestic price fixing", "domestic allotment", etc.

All three of these procedures would have the same objective and the same approximate result, if administered in a manner designed to accomplish the same end. They are all subject to the same limitations with respect to effect on producers' incomes, as previously noted. The results which might be expected, as applied to specific commodities, are indicated by the degree to which processing taxes on the commodities could be shifted to consumers, as discussed in a bulletin prepared by the Bureau of Agricultural Economics and published by the Treasury Department, entitled,

"An Analysis of the Effects of the Processing Taxes Levied under the Agricultural Adjustment Act."

Obviously, however, the plan involving the making of benefit payments financed by domestic processing taxes is the simplest of the three procedures, would involve least disturbance to the marketing system, and would be the least trouble to producers. Moreover, it would not be as easily subject to mistakes in administration which might result in decreasing rather than increasing total returns to producers. Such an adverse effect might follow unwise pricing policies under any one of the other plans. On the other hand, the tax method does not have the possible psychological advantage of the other two procedures, in that producers would not see the fixed-price feature of the plan as plainly. Under the other alternative methods farmers might think that more was being done for them than actually was being accomplished, which might be an advantage to their sponsors.

United States Department of Agriculture
Extension Service
Division of Cooperative Extension

HOW OUTLOOK INFORMATION MAY HELP FARM FAMILIES TO MAKE
DECISIONS AND ADJUSTMENTS/1

by
L. M. Vaughan

I hesitate to take up this subject after Miss Gallup's excellent introduction because I have really made no study or analysis of the question as to how farm families, as a family, do use outlook or how we as extension workers think they should use it. In fact, I feel sort of out of place for I assume that I am talking to those who have made such a study and analysis. Consequently my comments are more of a layman's review of experiences from the farm standpoint, namely, an expression of opinion based on various contacts with farm people, such as:

- Closing account books in farm homes.
- Making surveys of the farm business.
- Working with farm people in various extension contacts.
- Operating the home farm between high school and college, and managing it from long distance since that time.

While I have worked in the West and South, conditions in the Northeast dominate my thinking.

These experiences cause me to think first of the nature of farming, the way farm families live, and some of their problems, before I can intelligently apply myself to the subject assigned. I am glad that the person arranging this program used the words "may help" farm families to make decisions, etc., rather than "can help." It makes me feel safer in my comments.

Miss Gallup has already outlined some of the decisions farm people must make. These decisions seem to center around what we might call decisions on "organization" and decisions on "operation"; - the former, decisions as to how to make the best use of the farm resources, how best to combine the various factors into a profitable business, how gradually to develop and finance the business over a period of years, etc; and the latter, decisions as to buying, selling, financing, and making the current decisions and adjustments essential to continuous operation. You might say that the first type of decisions has to do with the "making of a farm plan" and the second "trying to follow it."

/1 Presented to State home-management representatives attending the National Annual Outlook Conference in Washington, D. C., October 24-29, 1938.

This leads me to my first point in the characteristics of farming as they pertain to use of outlook, namely, that most farm families are developing and paying for a farm, or equipment to operate one, at the same time that they are operating it. This has a decided bearing on the type of information farm people need, and the extent to which they can use it. Early in life the family is probably thinking of building and expanding the business and making sacrifices because of it. With a farm paid for, their choices are greatly different.

My second point would be that in this job of farming you cannot separate the farm from the home. Income may be influenced by the kind and amount of both farm and home expenditures; expenditures on the other hand may be influenced by the income available. Changes in production from year to year influence both the farm and home expenditures. A poor crop year might reduce farm income and increase food expense. Production credit agencies say they must know the ability to pay above necessary farming and living expenses before it is safe to lend. Money may go for development of the business or for living, depending upon the ambitions of the family, the equity in their business, their habits of living, the contribution of the farm to their living, and many other factors. The whole thing is so interrelated, that it is not only impractical to separate it, but impossible.

Nor can you separate the man from his wife in the operation of a farm. Their functions do not fall into separate and independent responsibilities. The man must buy much of the food and clothing when in town on other business. He does much of the heavy work at least in connection with the family garden. The wife answers the telephone and transacts the farm business, when he is in the back lot or working at a neighbor's. The children work on the farm. The hired man lives in the home. All mail comes to the house. There is no office. In other words, there is very little that takes place on a farm that isn't known by both the man and his wife. There are very few bachelors or widowers operating farms.

Often in taking farm surveys you are invited into the house. You wouldn't be in there more than 5 minutes before the farmer would call for his wife. "What did we pay (it was never I) for that seed corn last spring?" She would usually give the answer immediately in dollars and cents, or say "Just a minute I've got that set down here," or, "Why John, we didn't buy any seed corn last spring, don't you remember we used some of our own that we saved out from that field down on the flat that ripened early. It was certified oats we bought last spring, 50 bushels at \$1.25 a bushel." And so on throughout the record. The record was improved, for the women usually took it more seriously, and they seemed to know the answers to many of the questions. At least, the two together knew their business.

Another point on these characteristics of farming. I don't know what your definition of planning is, but it seems to me that most farm families do have plans and are continuously making them. They certainly consider every year what crops to plant and where they intend to put them. They can tell you of a number of things that they intend to buy, as soon as they get the cash. Some of the most common statements that you hear are as follows:

"We have been on this farm 10 years. We planned to have it paid for by now but we have hardly been able to meet the interest," or, "We intended to put in electricity this year, but we lost two cows in that storm last summer, and we just had to replace them," or, "John's sickness just upset our plans for several years." Most of these statements indicate the presence of some sort of a plan.

The nature of farming is such that adjustments in plans must be made continuously. In other words, you no sooner get something decided on a farm than you probably have to change it and think through some alternative. That is the chief reason why farming has remained a family business, namely, the need for making decisions frequently and quickly and the large amount of uncertainty in the factors influencing these decisions, such as, the weather (too dry, too wet, early frost, late spring, hail, etc.), biological factors (the seed didn't germinate well, some new variety didn't work out the way it was supposed to, a new insect or some other pest, abortion in the dairy herd, and like factors), mechanical difficulties, requiring unforeseen replacements and repairs in equipment (the pump-engine froze, the colts ran away with the new rake, or a stone went through the knives of the ensilage cutter), price fluctuations (potatoes hardly worth digging because of big crop, business conditions bad, or vice versa), human problems (the wife is sick, the hired man leaves, and other problems). On the operation side of the picture you can't plan very far ahead, but a good manager is always planning.

Why mention all these things in considering how outlook information may help farm families to make decisions and adjustments? Because I know of no other way to determine what information they really need and how it can be used. Also I feel that we are sometimes a bit unreasonable in our assumptions as to the way farm people do things.

Is it information on the possibilities of the farm to produce a satisfactory income over a period of years that farm people wish to know? Is it information on the factors of organization and operation that explain so much of the difference between the incomes of various farms? Is it information on how to evaluate purchases and sales? Is it information on how to go about analyzing the farm business? Is it information on prospective price conditions? Is it information on the proper use of credit?

"Outlook" is involved in answering all these questions. Competition from other areas changes the possibilities of a given farm over a period of years; shifts in the relative cost of various factors change the desirable organization for that farm; the outlook for prices is certainly one of the factors to be considered in deciding whether to buy or sell now or later; and buying on credit calls for a knowledge of probable prices during the period when the loan will be paid off.

Offhand then, we might say that we need to work on all the above information. But where should the emphasis be placed and what approach should be used? In view of the nature of the farming business as discussed earlier (a growing business, a cooperative business, an ever-changing business) it seems to me that effective farm planning calls for first emphasis to be placed

on the long-time pull designed to work out a system of farming to fit the land, the family, and the economy of the area. In this respect the use of farm and home records are indispensable. However, I don't wish to imply that the family to be helped must necessarily keep a farm and home record. I am thinking primarily of the use of records in establishing our facts. With the facts that have been brought out through analysis of a large number of farm records, it is quite possible in many areas now to determine the adjustments needed in a farm business by asking a few key questions.

Personally, I feel that the sooner we look upon both our farm and home records primarily as the means for getting the information essential for guidance to farm families, the sooner we shall limit them to what is essential for that purpose, and the sooner we will start working out effective ways of using the information available with a larger number of families. We need to give more attention to locating our survey and account work, selecting our types of farms, and getting home information where we have farm information.

Obtaining the facts and principles for farm and home management probably can be adequately developed, independently but cooperatively, by farm and home management specialists. What the records show should be known by both men and women. A plan for a system of farming must consider the farm and the home as a unit. In other words, we should be able to decide together what information is needed, get it in whatever way is most efficient, and use it in the way that farm families think.

In addition to a knowledge of farm and home management as such, farm people must know more about prices and how they affect agriculture, the long-time trend of the general price level, what influences it, what happens when it rises or falls, the seasonality of prices, the purchasing power cycles of various commodities, and the like. A knowledge of these is essential in making a farm plan, for the plan should consider the hazards of price fluctuations as well as the values, if any.

So much for the long-time pull, and the problems involved in thinking through a desirable system of farming for a farm. Now when it comes to the short-time or year-to-year planning, personally, I put much less importance on planning as such, and much more on knowing what to do when emergencies arise. This places emphasis on the type of information needed to make intelligently the many adjustments that must be decided quickly. Again it is a knowledge and understanding of the fundamental management and price principles that is needed, as contrasted to a knowledge of what the price is likely to be during the next few months. More decisions are made and probably should be made on the influence that a purchase or sale will have on the business, than on whether it is a good time to buy or sell from a price standpoint.

In the operation of a farm business during the year, the farmer is concerned with the various parts of his business as they come up more than he is with totals. It is not surprising that a farmer doesn't know what his total income was last year or what his total expenses were. They are never

the same in any two years, and when does a year begin and end in farming - his is continuous operation, the plan he needs is a long-time plan.

I don't know whether I have been talking on the subject or not, but just one more comment in closing. If outlook information is to be effective, it must be integrated into our whole educational system and used as a part of all our work. For example, the problem or question might be "how to judge values." Outlook (the probable price trend) would be one consideration in buying a given article. This might be completely overshadowed by the need for the article, or its quality, or some alternative product or some alternative use of the money.

We are using "outlook" as such less and less in our men's work, and bringing it in in connection with various meetings and demonstrations called for other purposes.

Consequently, an important contribution which the State specialists need to make is that of training other workers (particularly county) in the needed "background" and helping them to better evaluate the various things they read and hear about economic conditions; coupled with training in analyzing a farm business and developing a system of farming to fit the needs from the standpoint of the family as a whole.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

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THE OUTLOOK FOR DEMAND AND PRICES IN 1939

Summary

The demand for agricultural products is expected to be somewhat more favorable in 1939 than in 1938, with considerable improvement in domestic conditions offsetting less favorable foreign prospects. The effects of this anticipated improvement in demand on prices will not be as obvious as in some other recovery periods because of large actual and prospective supplies of some farm products, and the fact that prices of some commodities have been prevented by Government measures from declining as far as they otherwise would.

Industrial activity and consumer incomes in the United States are expected to average substantially higher in 1939 than in 1938, but not as high as in 1937. Important industries which should contribute to this rise in production are automobiles, building, steel, textiles and miscellaneous consumers' goods. The major part of the improvement will represent increases in the output of goods bought by consumers, and of materials used in their production. The recovery in production of producers' goods, or of industrial plants and equipment, may be somewhat delayed due to relatively unfavorable situations in the important railroad, utility and private non-residential building industries. General economic conditions in the United States are mostly favorable to recovery. One exception is a relatively weak commodity price situation. Increased net contributions of the Federal Government to total purchasing power will serve as an important stimulus to business in 1939.

Foreign conditions which affect the exports and prices of United States farm products may be less favorable in 1939 than in 1938. General economic conditions abroad may show some improvement during 1939 if there are no further unfavorable political developments and if the expected recovery in the United States materializes, but competing foreign supplies will be much larger in 1939 than in 1938. A general stiffening of foreign trade restrictions against imports of our products is an additional unfavorable factor, although it would be offset to some extent by the conclusion of trade agreements with the United Kingdom and Canada.

The general level of wholesale prices in the United States probably will average somewhat higher in 1939 than in 1938. Higher prices for raw materials is expected to more than offset possible lower prices for some manufactured goods. A slight rise in prices of farm products as a whole may occur. The level of prices received by farmers has declined sharply from the high point reached in January 1937, and the disparity between prices received and prices paid by farmers for commodities has greatly increased. This disparity may be reduced somewhat in 1939.

Cash farm income from the sale of products and Government payments is down about 13 percent in 1938 from 1937, although it is still higher than in any year from 1930 to 1935. Farm income is expected to be higher in 1939 than in 1938, with the increase coming mainly from commodities which respond more quickly to increases in consumer purchasing power. An increase in marketings of this group of commodities is likely to more than offset the effect on income of any decline in prices which may accompany the increased supplies. For some non-perishable commodities,

large carry-over stocks will limit price advances which might occur as a result of improved domestic demand and reduced production, and income will be correspondingly affected.

DOMESTIC DEMAND

The domestic demand for farm products in 1939 will be considerably better than in 1938, according to present indications. This outlook is based upon prospective trends in industrial activity and consumer incomes.

Industrial production during 1939 probably will average materially higher than in 1938, but lower than in 1937. This improvement is expected to come mainly from a higher level of output of: (1) automobiles, (2) building, (3) steel, (4) textiles, and (5) miscellaneous consumers' goods.

Important industries in favorable position

During the past year the rate of automobile production has been considerably less than half the output in 1937. This was partly due to the decline in general business conditions and consumer incomes. Also, it reflected higher prices for automobiles, relatively few changes in mechanical features or body design, large stocks of used cars which interfered with trade-ins, and large sales of new cars in the preceding year. At the beginning of the selling season for 1939 models, the situation is much more favorable. Stocks of new cars have been reduced to unusually low levels, and the used car inventory situation also is greatly improved. Changes in styling are more pronounced, there have been some price reductions, and general business improvement will add to the purchasing power and confidence of potential buyers. Reduced output in 1938 has added to the number of potential new car purchasers. These developments make the outlook for automobiles in 1939 considerably better than it was for 1938. In view of the large numbers of relatively late model cars in the hands of consumers, however, and the fact that public purchasing power will still be relatively low, it is unlikely that automobile production in 1939 will approach the levels reached before the recession. An increase in output over 1938 of even 25 percent, however, would contribute much to improvement in other industries.

Although there was a drop in total building activity from 1937 to 1938, the volume of residential building actually increased during most of the year, and for the year as a whole was larger than in 1937. Building interests seem to be devoting much more attention to the relatively large market for medium and lower priced homes than in other recent years. These and other indications point to a continuance of the pickup in residential building through 1939, and there will also be a considerable increase in public construction. Even with non-residential private building remaining at a low level, at least a moderate rise in the total volume of building construction in 1939 over 1938 appears probable. Available reports indicate that manufacturers of and dealers in building supplies have reduced inventories considerably since a year earlier, and improvement in construction activity should be reflected fully in the output of industrial products.

The reduction in output of iron and steel from the summer of 1937 to the first half of 1938 was drastic, and has directly contributed more than any other item to the decline in industrial production as measured by the Federal Reserve

index. This decrease in steel production reflected partly the reduced output of finished products made from steel, but also in considerable degree the using up by manufacturers of their inventories of steel and steel parts. For example, automobile manufacturers were able to operate for practically the entire 1938 model year without making significant new purchases of steel. Many smaller users of steel were in somewhat similar positions. As a result, the monthly average output of steel fell to 26 percent of capacity in December 1937, from the peak of 90 percent reached in May of 1937. In the latter half of 1938, however, many miscellaneous small users of steel found it necessary to renew purchases in order to meet their current requirements, and automobile producers were forced back into the market for steel going into the 1939 models. In view of the great reduction of steel inventories which must have taken place during 1937-38, the prospects for increased requirements for 1939 automobiles, the general pickup which is in prospect for the output of miscellaneous steel products, and increased requirements for building construction and ship building, the average rate of production of steel in 1939 should be considerably higher than in 1938.

Cotton consumption declined from 136 percent of the 1923-25 average in June 1937 to 77 percent in April 1938, a decline greater than that in industrial production as a whole. During most of 1937 the production of textiles, like that of many other commodities, apparently was considerably in excess of current consumption, leading to increases in inventories. In 1938 the contrary has been true. In the first 9 months of 1938 textile production apparently was considerably less than wholesale and retail sales, and in the early fall stocks outside of manufacturers' hands were considerably lower than at the end of 1937. In view of this more favorable inventory situation and the expected improvement in ^{consumer incomes} the general textile production situation should be materially better in 1939 than in 1938 as a whole. The recovery in textiles from now on, however, is likely to be more gradual than in some other recovery periods which were accompanied by more rapidly advancing prices of cotton and other raw materials.

A number of other miscellaneous lines of consumers' goods also are expected to contribute to the recovery of industrial activity. Data relating to these industries are very meager, and reliance must be placed mainly upon scattered trade reports and upon inadequate data relating to sales and inventories. These data indicate that sales of many products to consumers throughout the recession have been at a considerably greater rate than manufacturers' output. For example, during the first half of 1938 the production of radios was about 40 percent under the corresponding period of 1937, whereas retail sales were down only about 16 percent, resulting in a big reduction in the record-breaking inventories on hand at the beginning of the year.

During the latter half of 1938 retail trade in general has approached the levels of a year earlier. Some reduction in the inventories of retailers and wholesalers has occurred in 1938, although it is probable that in view of the changed business conditions and buying policies these inventories are not as low in relation to sales as some of the more optimistic reports might indicate. In some lines of durable consumers' goods, such as electric household equipment and furniture, sales were off greatly in the first half of 1938, but are picking up some in the latter half of the year. Many potential consumers have been paying off installments on articles of this kind bought previously, and those whose incomes have not been seriously reduced will be in a better position to purchase such goods on credit in

1939 than they were in 1938. Taking all of these indications into account, it seems probable that the output of miscellaneous consumers' goods will show a material increase in 1939 over 1938.

Industries in less favorable position

There are a number of industries, however, in which conditions are not as favorable as in those discussed above. This is particularly true of those industries making producers' goods, sometimes called capital goods, or products which are used for the expansion and rehabilitation of industrial plants and equipment. Expenditures for such purposes frequently are referred to as "business spending". This contrasts with the situation for consumers' goods, the output of which depends upon the willingness and ability of final consumers to buy. Expansion or contraction of producers' goods depends upon the prospects for business profits, the availability of investment funds, and the relation between the capacity and prospective output of existing facilities, and relative costs with old and new equipment.

Unfavorable conditions exist in several industries which in the past have been important contributors to expansion in capital goods. Railroad earnings are very low, which makes it difficult for many railroads to obtain the necessary funds even for needed improvements. The volume of railway traffic is hardly likely to increase sufficiently in 1939 to result in a very large volume of buying of equipment and supplies, although there may be some increase over 1938 to meet immediate replacement requirements. Many utilities in 1937 were close to capacity output, but reduced demand accompanying the recession has contributed to the postponement of plant expansion and replacements. Considerable uncertainty regarding utility financing attends the progress of holding company reorganization plans. Nevertheless, some utilities recently have increased their outlays, and may be responsible for material expansion in capital expenditures in the latter part of 1939. The relation between prospective industrial output and capacity in other lines of industry is not such as to lead to any early large expansion in new industrial construction, although lower costs with new equipment may result in a considerable volume of replacements. There will be a substantial increase in the volume of public construction.

General economic conditions fairly favorable

Any evaluation of the prospects for business activity calls for consideration of general economic conditions as well as the situation of particular industries.

In line with expectations of last fall, industrial activity as a whole is experiencing considerable improvement in the last half of 1938. An upward movement of this extent itself tends to induce further improvement, unless broken by some combination of events such as halted the less pronounced pick-up in the spring of 1930 and of 1931. In the latter years, the cumulative effects of financial deflation, increasing unemployment and world economic collapse were more than sufficient to offset the upward push of other factors. In the present instance, private debts are much less burdensome and the speculative excesses in real estate and securities which preceded the 1929 collapse were not present in nearly the same degree before the 1937-38 recession. Bank failures now are relatively infrequent. There is little danger of a drastic contraction of credit such as resulted from these conditions in the several years following 1929. Bank reserves and deposits have been

built up to high levels during the past year. While unemployment increased in the first half of 1938, purchasing power of the unemployed now is partly maintained by relief and other expenditures of the Federal and State Governments. World economic conditions, while unfavorable in many respects, are not as much of a depressing factor as in the years immediately following 1929. Thus, certain unfavorable general conditions which operated to prevent the continuance of initial rises in industrial activity in 1930-31, when attempts at recovery were short lived, are not found in anything like the same degree in 1938-39.

An important factor which will influence purchasing power in 1939 is the prospective increase in net Government expenditures over 1938. Although general plans were made and money appropriated for public works before the fall of 1938, these expenditures really will not be well under way until the first part of 1939. The net result of this and other developments in Government finance point to an average excess of cash expenditures over receipts in 1939 fully equal to that for 1934 and 1935. This compares with the situation existing early in 1938, when cash receipts and expenditures of the Federal Government were almost equal.

A less favorable feature of the general situation is the limited improvement in commodity prices which has accompanied the rather marked business improvement in the fall of 1938. This has been due mainly to large supplies of some important agricultural products, and continued large stocks of industrial raw materials. Little really is known about the interaction of price structures for different groups of commodities, but low agricultural prices might act as a wet blanket on other prices. Expectations of general price advances contributing to forward buying by both consumers and dealers are one of the characteristic features of industrial recoveries, and the absence of this spur to buying might be a substantial damper on recovery. Nevertheless, the general level of wholesale prices will be supported by the industrial recovery and increased consumer purchasing power, and any weakness in prices relative to trends in other recovery periods is not expected to do more than slow down the rate of improvement.

Industrial activity not expected to reach 1936-37 level

Taking into account these general economic conditions, as well as the conditions existing in the more important individual industries, it appears that only the development of new factors in the situation can prevent the general level of industrial activity in 1939 from being considerably higher than in 1938. However, the large volume of advance buying and the enlargement of inventories which contributed to the high output of consumers' goods in 1936-37 is not likely to be present in the same degree in 1939, and the producers' goods industries cannot be expected to show as much activity following so soon after a severe slump. Hence, the improvement in 1939 is hardly likely to carry the average level of industrial activity for that year back to the high level which prevailed before the recession. The absence of excessive speculative elements in the situation, however, should contribute to a more sustained recovery in 1939 than in some other years such as 1933.

Consumer incomes up less than industrial activity

Changes in national income tend to lag slightly behind, and to be less marked than, changes in industrial activity. If these relationships continue to prevail in this recovery, the indicated improvement in business activity might be expected to result in a percentage increase in national income from 1938 to 1939 considerably less than that for industrial production. The purchasing power of the lower income groups of consumers, however, should rise faster than total income as a result of increases in employment and hours per worker.

Commodity conditions will vary

The domestic demand for many farm products, like consumer incomes, tends to lag behind changes in industrial activity. The demand for livestock, dairy and poultry products, and fruits and vegetables, is expected to rise with the improvement in consumer purchasing power, but not in proportion to the increase in industrial production. The effects of this increase in the demand, in a number of instances, will be obscured by increasing production. For several important farm products, which are relatively non-perishable and subject to storing speculative demand usually results in anticipation of future changes in consumer demand, and any pickup in industrial production might be expected to be reflected almost immediately in the demand for and prices of these commodities. In 1938-39, however, the effects of large production and stocks of some of these commodities, as well as of relatively weak foreign demand prospects, will tend to obscure the effects of increased demand arising from the improvement in domestic business. Moreover, the prices of several important commodities recently have been supported by Government loans or purchases above the levels which otherwise would have prevailed. These prices cannot be expected to reflect the improvement in demand until the effects of the latter are more than sufficient to equal the influence of the price-supporting measures. Taking all of these conditions into account, it is probable that the expected improvement in domestic business conditions in 1939 will not be reflected as obviously in the prices and incomes received by farmers as have similar changes in other years.

FOREIGN COMPETITION AND DEMAND

Foreign conditions which influence the exports and prices of United States farm products are expected to be somewhat less favorable in 1939 than in 1938. This conclusion is based upon a consideration of: (1) general economic conditions and purchasing power in those foreign countries which take the greater part of our agricultural export commodities; (2) foreign production and supplies of commodities competitive with our agricultural exports, both in those importing countries and in other foreign producing countries; and (3) foreign barriers to trade in our agricultural export commodities.

General economic conditions abroad may show some recovery during 1939 if the expected improvement in United States industrial activity materializes; but the foreign supply situation is less favorable than a year ago for exporting farm products from the United States. Continued military operations in the Orient, and the changed economic regime in certain areas there, are expected further to curtail our trade with Japan and China. A general stiffening of foreign trade restrictions against our imports is an additional unfavorable factor although it would be offset

to some extent by the conclusion of trade agreements with the United Kingdom and Canada.

Imports of foreign countries have become less dependent than formerly on general internal demand conditions because of the greatly increased control being exercised over all economic activity by most foreign governments. Many countries have greatly accelerated their efforts to reach the point where their economy can be independent of imports of essential agricultural commodities for a long period should the need arise. Where domestic production is at all feasible, it is being fostered as much as possible. Where adequate domestic production is not attainable, stocks are being increased. These measures are being supplemented in some countries by the active discouragement of consumption.

The most uncertain element in the foreign demand situation is the tense European political outlook. The present statement has been written on the assumption that the prevailing condition of armed peace will continue. A general war would entirely change the outlook. The short-time demand for some commodities would be increased while that for others would be curtailed. The long-time demand would depend upon a tremendous variety of unpredictable factors. On the other hand, should European policies be turned toward world economic reintegration, the long-time outlook for all commodities would be improved.

General foreign economic conditions

The recession in economic activity which has been under way since last fall in those important foreign industrial countries which are still able to import large amounts of our farm products appears to be leveling off, although some further decrease may occur. These countries probably will show some improvement before the end of 1939 as a result of the anticipated recovery in the United States.

The Economist index of business activity in the United Kingdom showed a rise for June which was lost in July and only partially regained in August. With the exception of cotton consumption, however, the components which indicate the level of industrial production continued to decline slightly in both June and July. The index of industrial production in Canada, the third most important foreign buyer of our agricultural products during 1937 (Japan, the second in importance, is discussed below), turned up very slightly in July. The prospects for further advance depend to a great degree on conditions in the United States, since the Canadian economy is more closely geared to our own than is the case for any other important foreign market for our agricultural products excepting Cuba. In France, industrial activity continues at a low level and the outlook is extremely uncertain. The situation is complicated by large-scale labor unrest and business timidity.

Other indications of economic conditions in this group of countries show similar uncertainties. In the Netherlands, an index based on net imports of raw materials rose slightly in the first part of the year but fell during April and May. In Belgium, industrial production rose in May and June but dropped in July below its previous low point for the year. Although conditions in Cuba showed no improvement during the month of August, sugar prices were relatively firm.

Factors tending toward further decline in economic activity in these less controlled countries include the low purchasing power of the raw-material exporting

countries, the continuation of military operations in the Orient, and the flight of capital from Western Europe to the United States. A factor of uncertain influence is the continuation of feverish military preparation, since on the one hand it stimulates industry, but on the other it leads to the further control of other than war-material imports and to governmental financial difficulties. In spite of these factors, it is possible that the anticipated improvement in United States economic conditions, through its influence on conditions in raw material producing countries, may eventually reverse the downward movement of industrial production in these countries. Their prices and currencies are in better alignment than at any time since before the financial crisis in the summer of 1931. Some countries, less important as purchasers of United States farm exports, but of influence in the general situation, have not experienced an important measure of recession from 1937 levels. Emergency programs of government spending are ready in most countries and, in general, budgetary policies are under much more flexible control than has been the case at the outset of previous recessions. Hence, resistance will be offered to prolonged depression and quick advantage would probably be taken of any substantial stimulation to recovery.

many of

In the early fall of 1938 the currencies of these countries led by the pound sterling, have fallen to low levels in terms of the dollar. Although the tendency would probably be reversed temporarily by a distinct easing of the present European political tension, the general weakness is likely to continue in 1939. This prospect is an unfavorable factor in the general outlook for foreign markets for United States farm products.

Conditions in both Japan and Germany are now under practically complete Government control; so that the ordinary indications of future demand are of little value in appraising the outlook. Although industrial production is advancing consumer standards of living are not rising proportionately. Final consumption of all types is being reduced both by artificially created scarcity and by official campaigns identifying frugal living with patriotism. The limited exchange available for raw material imports is being rationed as between industries. Regardless of cost, purchases of required imports are made as far as possible in countries with which military or political alliances have been formed or are sought. Under these circumstances, it is very unlikely that we shall be able to regain during the coming year the markets which we have lost in these countries.

Foreign production and supplies

The situation in regard to competitive supplies of agricultural products in foreign countries this year is less favorable than last year for most of our export commodities, including grains, cotton, and tobacco. Large foreign crops will result in large stocks being carried over into the next season.

The outlook is for particularly large foreign grain supplies. Europe as a whole is harvesting larger grain and root crops than in any recent year. In Canada the exportable wheat surplus is the largest since 1932. Plantings of grain in the Southern Hemisphere appear to be above those of a year ago. As short foreign supplies a year ago were a factor in making United States grain exports during 1937-38 the highest since the series of unfavorable production years which began in 1934, there will probably be a decline in this trade during 1939. In the case of lard, it is anticipated that our increased exportable supplies will continue to

recover ground lost in foreign markets to the vegetable and marine oils which have been filling much of the fat and oil demand during the recent period of low lard production in the United States. While foreign cotton production is expected to be lower than last year, stocks are unusually large and the net position is expected to be more unfavorable to United States cotton exports than during the past season. Stocks of tobacco abroad are above average. This is especially true of United Kingdom stocks of Canadian and Indian leaf.

Fruit is a conspicuous exception. April and May frosts throughout most of Europe have resulted in a very small crop. Hence, the foreign fruit supply situation during the current marketing season is expected to be favorable to United States exports in spite of unchanged or even decreased foreign consumption. Conditions following the 1939 fruit harvest, however, may not be as favorable for United States exports as those now prevailing.

International trade and trade barriers

Total world trade for the second quarter of 1938 was lower than that for the second quarter of 1937 by 13 percent in quantity and more than 17 percent in value. Much of the decline was due to decreased imports of raw materials and grains into the United States. While this decline of United States imports was not the only factor in the situation, it is possible that its reversal as a result of a revival of industrial activity in the United States might have sufficient influence to cause a rise in world trade indexes before the end of 1939.

An unfavorable factor in the situation is a general tightening of trade barriers even in the less controlled countries. Just as these restrictions were being relaxed a year ago under the influence of increasing industrial activity and rising prices, they are now being stiffened in response to the effects of decreasing activity and declining prices. It is significant that the Oslo convention for the reciprocal easing of restrictions on trade between the Scandinavian countries, Belgium, and the Netherlands was not renewed at its expiration on June 30. In the United Kingdom, the chief foreign outlet for our agricultural products, indications are that schemes for increasing domestic agricultural production will be continued if not actually expanded. Most of these schemes include the rigid quantitative control of imported supplies. The leading United States agricultural exports affected by such schemes are wheat, hops, barley, and pork products. The import quota for pork limits imports from the United States to a fixed percentage of the total which, if the quota is the same in 1939 as in 1938, will be less than the share which we would probably otherwise be able to supply. On the other hand, progress has been made in negotiating trade agreements with the United Kingdom and Canada which are expected to involve significant reductions in the trade barriers affecting our agricultural products.

PRICES

The level of wholesale prices in the United States probably will average somewhat higher in 1939 than in 1938. Higher prices of raw materials are likely to more than offset possible lower prices of some manufactured goods. A slight rise in prices of farm products as a whole may occur.

Varying trends for different groups of commodities

Wholesale prices of all major groups of commodities have receded since September 1937. Prices have declined most for farm products, foods, hides and leather, and textiles; and have declined least for fuel and lighting products, metals and metal products, chemicals and drugs, house furnishings, building materials, and miscellaneous products.

Higher prices in 1939 than in 1938 are probable for raw materials, building materials, clothing, several crops, and some other products. The decline in prices of building materials in the last year appears to have been halted. Prospects for an improvement in residential building and increased public works construction, along with reduced inventories and anticipated increases in production costs, are expected to result in some increase in prices of building materials in the coming year.

Lower prices seem likely in the coming year for some iron and steel products, and some livestock and foods. The general reduction in steel prices in 1938 should permit of some lowering in prices of finished steel and iron products. Some reduction has already been announced in prices of 1939 model automobiles. The sharp curtailment in sales of farm machinery in 1938 following the marked increase in prices since 1933 and the reduction of buying power of farmers in 1938 have led to reports in trade circles that reductions in some farm machinery prices are probable. Moreover, smaller tractors and combines are being placed on the market at prices much below those that have recently prevailed for larger sizes of these machines. However, declines in prices of these products are expected to be more than offset by increases in prices of other products and to result in a somewhat higher level of wholesale prices in 1939 than in 1938.

Prices in foreign countries

During 1938 the value of the dollar has risen in terms of the currencies of France, China, Mexico, several South American countries, and more recently in relation to the English pound and certain other currencies. The decline in the value of these foreign currencies will tend to increase prices of our products to foreign importers in terms of their moneys. Further depreciation in foreign currencies would tend to increase foreign wholesale prices. However, unless there is a pickup in foreign industrial production or substantial further declines in foreign exchange rates, there seems little likelihood of any general increase in wholesale prices in the major foreign countries. Weakness in foreign exchange would tend also to depress prices in the United States. Distribution of the effects as between domestic and foreign prices would depend upon many other conditions in the commodity markets here and abroad.

The general level of wholesale prices in the major foreign countries, like the trend of prices in the United States, has been relatively stable in the first 8 months of 1938. The combined index of wholesale prices in 9 foreign countries that have a considerable influence on the foreign demand for our farm products has fluctuated little since March 1937, although the trend in 1938 has been slightly downward.

Prices in different countries have shown conflicting tendencies in 1938. Wholesale prices in England, Canada, Belgium, Poland, and the Netherlands, have been gradually weakening since January, whereas prices in Japan have risen despite the wide range of price-control regulations. In France, wholesale prices reached a new high level in July, tapering off gradually thereafter. Prices in Italy and Germany, according to the official indexes, have been relatively stable in 1938.

Prices received and paid by farmers

The general level of prices received by farmers in the United States has declined sharply from the high point reached in January 1937, as a result of the substantial decrease in consumer purchasing power and increases in supplies of some important commodities. The index of farm prices declined 27 points in 1937 and another 12 points in the first half of 1938. By May 1938, this index was down to 92 percent of the pre-war level and has been fairly steady since then. Although all groups of farm products shared in this downward trend, the decline was most pronounced in prices of crops, especially grains and cotton, and less pronounced in prices of livestock and livestock products. In the coming year this trend is likely to be reversed, with an improvement in crop prices relative to livestock prices. Higher prices for some crops are expected to more than offset any declines that may occur in some of the livestock groups, and to result in some increase in farm prices in 1939.

Prices paid by farmers for commodities have been on a downward trend since June 1937. The greatest declines have occurred for feeds and foods -- the two most important groups of commodities purchased by farmers -- and in seed prices. Prices of clothing, building materials, furniture and furnishings declined moderately, whereas prices of fertilizers, equipment and supplies were practically unchanged. Farm machinery and automobiles increased. These prices and prices of some foods may be lower in the coming year, but increases from present levels are likely in prices of building materials and some clothing items.

The ratio of prices received to prices paid by farmers declined a little further in the first 9 months of 1938, after a sharp decline in 1937. Prices received by farmers are likely to increase sufficiently to bring about some increase above the present level in the ratio of prices received to prices paid.

FARM INCOME

With considerable improvement in industrial activity and national income in prospect, it is probable that cash income from farm marketings will be appreciably higher in 1939 than in 1938. Income from Government payments in 1939 also is expected to exceed that in 1938.

Farm income reduced in 1938

The income of farmers from marketings of farm products and from Government payments has been estimated at about 7,500,000,000 dollars for the calendar year 1938, compared with 8,600,000,000 dollars for 1937. This 1938 income is about 13 percent lower than that of 1937 and 6 percent smaller than in 1936. However, it is higher than in any year between 1930 and 1936.

The decline in income from farm marketings in 1938 is more pronounced in the case of crops than it is in the case of livestock and livestock products. During the first half of 1938, marketings of crops were somewhat larger than a year earlier, but this was more than offset by the marked decline in prices, and income from crops during that period was 20 percent below a year ago. Marketings of cotton and fruit crops during the latter half of the year will be somewhat smaller than in 1937, but marketings of wheat and other grains will be larger. Because of the reduction in prospective sales of many crops and the marked decline in prices, farm income from crops is expected to continue somewhat below a year earlier through the remainder of 1938.

Marketings of livestock and livestock products in 1938 are somewhat larger than in 1937 due largely to the increase in output of dairy products and the increased volume of hog marketings. While prices of nearly all livestock and livestock products are somewhat lower than a year earlier, this has been partly offset by the larger volume of sales.

Improvement in 1939 to vary by commodities

The improvement in farm income in 1939 is likely to be more noticeable in those commodities which enter most directly into consumption. Production of livestock and livestock products is expected to continue upward and be larger in 1939 than in 1938, but with the upward trend in consumer incomes it is likely that these larger supplies will result in more farm income than in 1938. Fruit and vegetable crops in 1939 may also be larger than in 1938, and the income from these products should be higher.

Income from the less perishable crops which can be carried over from season to season, such as grains, cotton, and tobacco will be influenced somewhat by the large carry-overs now in prospect at the end of the present crop marketing season, which may prevent the improvement in industrial activity and consumer incomes from being fully reflected in the income from these commodities.

Net income from farming

The moderate decline in prices of commodities and services used in production together with some curtailment in purchases, has enabled farmers to reduce their total farm production expenses slightly in 1938. However, the decline in farmers' expenditures for farm production from 1937 to 1938 has probably been much less pronounced than the decline in farm income, and net cash income available to farm operators after deducting production expenses is considerably lower in 1938 than in 1937. However, in 1939, it is likely that the increase in total cash income from farm marketings and from Government payments will be accompanied by little change in farm production expenses from those of 1938, and the net cash income of farm operators will probably be materially higher in 1939.

UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
Washington, D. C.

OUTLOOK MEMORANDUM No. 1.

July 15, 1938.

To: Division Leaders and
Chairmen and Secretaries of Outlook Committees.

Gentlemen: Re: The 1939 Outlook

A. Schedule for 1939 Outlook

October 1	Preliminary report of the Demand Committee (for Commodity Committees)
October 3-5	Final preparation and completion of Bureau committee reports.
October 5-11	Review of reports by Bureau Reviewing Committee.
October 12	Completing the mimeographing and mailing of preliminary reports to State representatives.
October 24-29	Annual Outlook Conference in Washington.
October 31	Release of Outlook Reports to newspapers, radio, and State Extension Editors begins.

B. Schedule for chart book and film strip preparation

Chart books are to be complete and ready for use at the time of the Outlook Conference at Washington this year. This means that committee work will have to be completed early in order to allow time for drafting, photographic, duplicating, and assembling. Mr. Youngman will contact Chairmen and Secretaries of each committee with regard to changes and organization of the material in each chart book. The following schedule shows dates when the list of charts to be used should be in Mr. Youngman's hands for transmission to the drafting and photographing sections.

June 10 Beef Cattle	August 29 Demand, credit & prices
July 15 Poultry and eggs	Sept. 5 Fruits
18 Sheep, lambs and wool	12 Cotton
25 Wheat and rye	19 Tobacco
Aug. 1 Dairy	26 Potatoes and truck crops
8 Hogs	Oct. 3 Feed crops and livestock
15 Rice, Dry beans, etc.	10 Oil seeds (Flax, soybeans, peanuts, etc.)
22 Farm family living.	

An attempt will be made to tie data in as closely as possible with the charts, and blank spaces are to be left for inserting data not available at the time the charts are prepared. As far as possible the chart books will be set up so as to serve the purpose of the extension handbooks.

List of 1938-39 Committees

The revised list of committee assignments for the 1939 outlook is attached, together with a list showing the membership of the reviewing committee. It is the responsibility of the chairman and secretary of each committee to arrange for and call meetings of their respective committees. They are urged to expedite committee work so as to eliminate possibility of any break-down in the schedule of distribution. It is suggested that the chairman of each committee call the group together at an early date to lay the plans for work and especially with respect to selecting subcommittees for carrying on the work of preparing chart books, film strips, and statistical summaries.

Very truly yours,

A handwritten signature in cursive script, reading "Eric Englund". The signature is written in dark ink and is positioned above the typed name and title.

Eric Englund,
Assistant Chief of Bureau.

Attach.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

1938-39 OUTLOOK COMMITTEES

- - -

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Stine, O. C.
Waugh, F. V.
Burmeister, C. A.
Fleming, J. R.
Holmes, C. L.
Wheeler, L. A.

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Cooper, M. R.
Mendum, S. W.
Thomsen, F. L.
Newell, S. R.
Fraser, W. O.
Sandstrom, M. M.
Sarle, C. F.
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Purves, C. M.
Regan, M. M.
Stewart, J. L.
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 Guellow, C. N.
 Murray, A. T.
 Newell, S. R.
 Park, J. W.
 Spangler, R. L.
 Williams, P. M.
 Braun, E. W., AAA
 Cavin, J. P., AAA
 Taylor, P. R., AAA
 Ockey, W. C., Extension
 Hudson, George, Extension
 Gould, H. P., Plant Industry
 Magness, J. R., Plant Industry
 Hoyt, A. S., Entomology
 Porter, B. A., Entomology

SOYBEANS

Wheeler, W. A. - Chairman (4415)
 Grove, E. W. - Sec'y (2243)
 Barr, J. E.
 Clough, M.
 Crickman, C. W.
 Dewees, Anna
 Negaard, O. A.
 Peters, J. H.
 Rossiter, F. J.
 Herrick, H. T., Chemistry & Soils
 Morse, W. J., Plant Industry
 Kepner, P. V., Extension
 Cox, J. F., AAA

DRY BEANS

Barr, J. E. - Chairman (2227)
 Burmeister, G. - Sec'y (2587)
 Dennee, J. S.
 Hunter, B. G.
 Peters, J. H.
 Holt, B. A., AAA
 Boswell, V. R., Plant Industry
 Hudson, George, Extension

FEED CROPS AND LIVESTOCK

Harlan, C. L. - Chairman (2125)
 Clough, M. - Sec'y (2241)
 Barr, J. E.
 Boerner, E. G.
 Burmeister, C. A.
 Carpenter, C. G.
 Christy, D. F.
 Crickman, C. W.
 Ewing, J. A.
 Hosterman, W. H.
 Negaard, O. A.
 Shepard, J. B.
 Smith, R. K.
 Walsh, R. M.
 Nicholson, K. J., AAA
 Parker, J. B., Extension
 Kepner, P. V., Extension
 Stanton, T. R., Plant Industry
 Harlan, H. V., Plant Industry
 Bartilson, T. H., Animal Industry

CLOVER AND ALFALFA SEED

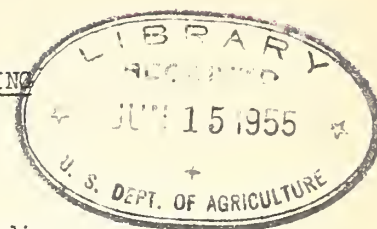
Edler, G. C. - Chairman (4415)
 J. H. Peters - Sec'y (2128)
 M. A. Crosby
 Cox, J. F., AAA
 Fisher, O. S., Extension
 Westover, H. L., Plant Industry
 Kepner, P. V., Extension
 Packard, C. M., Entomology

FARM FAMILY LIVING

Monroe, Day - Chairman (2428) BHE
 Stiebeling, Hazel K. - Sec'y (2428) BHE
 Brady, Dorothy S., BHE
 Birdseye, Miriam, Extension
 Rokahr, Mary, Extension
 Dixon, H. M., Extension
 Burmeister, G., BAE
 Fleming, J. R., BAE
 Johnson, T. D., BAE
 Peterson, A. G., BAE
 Purves, C. M., BAE
 Waugh, F. V., BAE
 Montgomery, Donald, AAA
 Cavin, J. P., AAA
 Bollinger, P. H., AAA

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Home Economics
Bureau of Agricultural Economics
and Extension Service Cooperating

PROGRAM OF THE OUTLOOK CONFERENCE ON FARM FAMILY LIVING
Washington, D. C., October 24 - October 29, 1938



MONDAY, OCTOBER 24

Morning

Joint session with the Agricultural Outlook, Auditorium, South Building
Eric Englund, Chairman

Opening remarks----- 9:00 A.M.
Business conditions, demand, and the price situation----- 9:45 A.M.
Credit----- 11:45 A.M.

Afternoon

Joint session with the Agricultural Outlook, Auditorium, South Building

Report of the committee on farm family living----- 1:30 P.M.

Farm family living conference, Room 1039, South Building----- 3:00 P.M.

Louise Stanley, presiding

Farm income: Anticipated regional differences in 1938-39 -- C. M. Purves

Probable trends of retail prices in 1938-39----- A. G. Peterson

TUESDAY, OCTOBER 25

Morning

Farm family living conference, Room 1039, South Building----- 9:15 A.M.
Day Monroe, Chairman

How Outlook material may help farm families to make decisions and adjustments-----

Gladys Gallup
L. M. Vaughan

National income from agriculture and incomes of farm families-----

Hazel K. Stiebeling
Hildegard Kneeland,
National Resources
Committee

Income levels of farm families-----

The outlook for farm family income; adjustments families may make. Discussion by State representatives.-----

Mary L. Collings,
Louisiana

Afternoon

Joint session with the Agricultural Outlook, Auditorium, South Building

WEDNESDAY, OCTOBER 26

Morning

Farm family living conference, Room 1039, South Building----- 9:15 A.M.
Mary Rokahr, Chairman

Financial plans of farm families for 1938-39

Budgeting for purchases of furnishings and equipment----- Day Monroe

Credit for the farm family's household purchases----- Lucile Reynolds,
Farm Credit Administration

Educating farm homemakers concerning credit. Discussion by State representatives.-----

Gladys Ward, Illinois
Charlotte P. Brooks,
Vermont



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WEDNESDAY, OCTOBER 26 (continued)

Afternoon

Farm family living conference, Room 1039, South Building----- 1:30 P.M.

Donald E. Montgomery, Consumers' Counsel, AAA, Chairman

Outlook for consumer buying

Consumers forge ahead: A summary of advances in the consumer movement during 1933 and the roads that lie ahead-- Iris Calderhead Walker
Consumers' Counsel
Division, AAA

Turning the consumer spotlight on a new industrial experiment: The significance to farm families of the industrial recovery program of workers and employers in the coat and suit industry----- Merle D. Vincent,
Legislative Counsel,
International Ladies
Garment Workers

Consumer education in State Extension programs----- Lucille Williamson,
New York
Mary May Miller,
Minnesota

THURSDAY, OCTOBER 27

Morning

Farm family living conference, Room 1039, South Building----- 9:15 A.M.

Day Monroe, Chairman

Financial plans of farm families for 1938-39 (continued)

The farm family's food:

Planning production to increase family income----- Clara V. Thompson
Farm Security Administration

Money expenditures as related to food production and preservation----- Hazel K. Stiebeling

The farm family buys medical care----- Dorothy Brady

Uses of household accounts as aids to better farm family financial planning. Discussion by State representatives-----

Fannie Gannon, Iowa
Elizabeth L. Speer, Tenn.

Afternoon

Joint session with the Agricultural Outlook, Auditorium, South Building

FRIDAY, OCTOBER 28

Morning

Joint Extension conference, Auditorium, South Building----- 9:15 A.M.

H. M. Dixon, Chairman

Procedure in the preparation and dissemination of Outlook material for farm family use

For the State----- C. E. Dominy, Kansas
Portia Seabrook,
South Carolina
H. I. Miller, Vermont
Bonnie V. Goodman,
Oklahoma

Discussion

For the County ----- A. R. Kemp,
Knox County, Ill.
Ella Donaldson,
Knox County, Ill.

Discussion

The utilization of Outlook information and materials in agricultural and extension program building----- E. A. Flansburgh, N.Y.
Gertrude Humphreys,
West Virginia
H. L. Hildwein, New
Mexico
Kate Lee, Mississippi

Discussion

FRIDAY, OCTOBER 28 (continued)

Afternoon

Extension conference on farm family living, Room 1039, South Building----- 1:30 P.M.

Madge J. Reese, Chairman

Round-table discussion. An exploration of the methods we
can use to help large numbers of farm families with
economic problems-----

Mary Rokahr

Farm family living and its relation to agricultural
planning including land use,-----

Speaker to be
announced

Discussion

Report of Farm Family Living Outlook Committee -----

Nell Pickens, Ala.

Starley Hunter, Indiana; Delpha Wiesendanger, New York.

SATURDAY, OCTOBER 29

Morning

Joint Extension conference, Auditorium, South Building----- 9:15 A.M.

Report of Outlook Committee----- R. V. Gunn, Michigan

Mary May Miller, Minnesota; J. B. Daniels, Arkansas; Nell Pickens,
Alabama; Roy E. Moser, Massachusetts; Jessie D. Hinton, Maryland;
O. J. Wheatley, Utah.

(Representatives of Bureau of Agricultural Economics, Home Economics, and
Extension Service will work with this Committee)

Program to be announced later.

UNITED STATES DEPARTMENT OF AGRICULTURE

Bureau of Agricultural Economics
Bureau of Home Economics
and Extension Service Cooperating

AGRICULTURAL OUTLOOK CONFERENCE PROGRAM

Washington, D. C., October 24 - October 29, 1938.

MONDAY, OCTOBER 24

OUTLOOK PROGRAM and
FARM FAMILY LIVING PROGRAM

Auditorium, South Building
Eric Englund, Chairman

Opening remarks - H. R. Tolley, Chief of Bureau	9:00 a.m.
Business conditions, demand, and the price situation.	9:45 a.m.
Credit.	12:00 m.
Lunch	12:30 p.m.
Farm Family Living.	1:30 p.m.
Poultry and Eggs (including Turkeys).	2:30 p.m.
Dairy	3:30 p.m.

FARM FAMILY LIVING PROGRAM

Room 1039, South Building
Louise Stanley, Chairman

Farm Income: Anticipated regional differences in 1938-39. . .	3:00 p.m.
C. M. Purves	
Probable trends of retail prices in 1938-39 . .	A. G. Peterson

OUTLOOK EXHIBITS

Auditorium Stage

An exhibit of State Outlook and other economic materials has been assembled for the benefit of the State representatives and will be on display throughout the week.

Note: Written Outlook reports have been prepared that will not be discussed in the meetings. State representatives interested are expected to attend section B. Wednesday and discuss the reports with the committee Chairmen and Secretaries, who will be there to answer questions. The reports which are prepared, but will not be discussed include, farm labor, equipment, and fertilizer; meat animals and meats; mohair; clover and alfalfa seed; the cottonseed section of the cotton report; cherries; grapes; pears; the individual truck crops; peanuts; strawberries; tree nuts; dry beans; rice; sweet-potatoes; and horses and mules.

MONDAY, OCTOBER 24 (continued)

Dinner for Farm Family Living Outlook Conference Delegates. . 7:00 p.m.
Garden House, THE DODGE HOTEL
Speaker: Mrs. Genevieve Forbes Herrick
Topic: "Just Like a Woman"

TUESDAY, OCTOBER 25

OUTLOOK PROGRAM

Section A
Room 3036, South Building
Eric Englund, Chairman

Cotton. 9:00 a.m.
Tobacco 11:00 a.m.

Section B
Auditorium, South Building
W. H. Youngman, Chairman

Fruits - Summary. 9:00 a.m.
Citrus fruits 9:45 a.m.
Apples. 11:00 a.m.
Peaches 12:00 m.

FARM FAMILY LIVING PROGRAM

Room 1039, South Building
Day Monroe, Chairman

How Outlook material may help farm families to make decisions
and adjustments Gladys Gallup 9:15 a.m.
L. M. Vaughan
National income from agriculture and income of farm families.
Hazel K. Stiebeling
Income levels of farm families. Hildegard Kneeland
National Resources Committee
The outlook for farm family income; adjustments families may
make. Discussion by State representatives. Mary L. Collings
Louisiana

OUTLOOK PROGRAM and
FARM FAMILY LIVING PROGRAM

Auditorium, South Building
Eric Englund, Chairman

Prices and Price-controls 1:30 p.m.
Dr. F. L. Thomsen, B.A.E.

WEDNESDAY, OCTOBER 26

OUTLOOK PROGRAM

Section A
Room 3036, South Building
Eric Englund, Chairman

Wheat	9:00 a.m.
Flax.	11:00 a.m.
Potatoes.	11:30 a.m.
Truck Crops - Summary	12:00 m.

Section B
Auditorium, South Building
W. H. Youngman, Chairman

Discussion period for unscheduled reports 9:30 a.m.

FARM FAMILY LIVING PROGRAM

Room 1039, South Building
Mary Rokahr, Chairman

Financial plans of farm families for 1938-39.	9:15 a.m.
Budgeting for purchases of furnishings and equipment.	
Day Monroe	
Credit for the farm family's household purchases.	
Lucile Reynolds, Farm Credit Administration	
Educating farm homemakers concerning credit. Discussion by	
State representatives Gladys Ward, Illinois	
Charlotte P. Brooks, Vermont	

OUTLOOK PROGRAM

Section A
Room 3036, South Building
Eric Englund, Chairman

Soybeans.	1:30 p.m.
Feed Crops and Livestock.	3:30 p.m.

Section B
Auditorium, South Building
W. H. Youngman, Chairman

Discussion of unscheduled reports 1:30 p.m.

WEDNESDAY, OCTOBER 26 (continued)

FARM FAMILY LIVING PROGRAM

Room 1039, South Building
Donald E. Montgomery, Chairman

- Outlook for consumer buying 1:30 p.m.
Consumers forge ahead: A summary of advances in the consumer
movement during 1938 and the roads that lie ahead
Iris Calderhead Walker
Consumers' Counsel Division, AAA
Turning the consumer spotlight on a new industrial experiment:
The significance to farm families of the industrial recovery
program of workers and employers in the coat and suit in-
dustry Merle D. Vincent, Legislative Counsel,
International Ladies Garment Workers
Consumer education in State Extension programs.
Lucille Williamson, New York
Mary May Miller, Minnesota
ANNUAL OUTLOOK DINNER 6:30 p.m.
National Press Club - 14th and F Streets, N. W.
Secretary of Agriculture, Hon. Henry A. Wallace, Speaker

THURSDAY, OCTOBER 27

OUTLOOK PROGRAM

Room 3036, South Building
Eric Englund, Chairman

- Hogs. 9:00 a.m.
Beef Cattle 10:30 a.m.
Sheep, lambs and wool 11:30 a.m.

FARM FAMILY LIVING PROGRAM

Room 1039, South Building
Day Monroe, Chairman

- Financial plans of farm families for 1938-39 (continued). . . . 9:15 a.m.
The farm family's food:
Planning production to increase family income.
Clara V. Thompson, Farm Sec. Adm.
Money expenditures as related to food production and
preservation Hazel K. Stiebeling
The farm family buys medical care. Dorothy Brady
Uses of household accounts as aids to better farm family
financial planning. Discussion by State representatives.
Fannie Gannon, Iowa
Elizabeth L. Speer, Tenn.

THURSDAY, OCTOBER 27 (continued)

OUTLOOK PROGRAM and
FARM FAMILY LIVING PROGRAM

Auditorium, South Building
Eric Englund, Chairman

The import-export situation and our foreign trade policy. . . . 1:30 p.m.
L. A. Wheeler, Chief Foreign Service Div., B.A.E.
E. R. Edminster, Spec.Asst. to the Secretary, State Dept.

FRIDAY, OCTOBER 28

JOINT CONFERENCE ON
FARM FAMILY LIVING

Auditorium, South Building
H. M. Dixon, Chairman

Procedure in the preparation and dissemination of Outlook
material for farm family use. 9:15 a.m.
For the State. Portia Seabrook, South Carolina
H. I. Miller, Vermont
Bonnie V. Goodman, Oklahoma
C. E. Dominy, Kansas
Discussion
For the County A.R.Kemp, Knox County, Ill.
Ella Donaldson, Knox County, Ill.
Discussion
The utilization of Outlook information and materials in agri-
cultural and extension program building
E. A. Flansburgh, N.Y.
Gertrude Humphreys, West Va.
H. L. Hildwein, New Mexico
Kate Lee, Mississippi

Discussion

EXTENSION CONFERENCE ON
FARM FAMILY LIVING

Room 1039, South Building
Madge J. Reese, Chairman

Round-table discussion. An exploration of the methods we can
use to help large numbers of farm families with economic
problems. Mary Rokahr 1:30 p.m.
Farm family living and its relation to agricultural planning
including land use. (Speaker to be announced)
Discussion.
Report of Farm Family Living Outlook Committee.
Nell Pickens, Ala., Starley Hunter, Indiana, Delpha Wiesen-
danger, New York.

FRIDAY, OCTOBER 28 (continued)

EXTENSION CONFERENCE ON
AGRICULTURAL OUTLOOK

Room 3036, South Building
P. V. Kepner, Chairman

The utilization of outlook material in considering the needs
for a citrus fruit marketing program. . . . C. V. Noble, Fla. 1:30 p.m.
The application of outlook material in making adjustments to
farm management problems. Horace C. Holmes, Tenn. 2:15 p.m.
The place of outlook information in solving land-use problems . 3:00 p.m.
W. H. Lamphere, Montana
Popular presentation of outlook information. . . . L. K. Soth 3:45 p.m.

SATURDAY, OCTOBER 29

JOINT EXTENSION CONFERENCE

Auditorium, South Building
Chairman

Program to be announced later

Report of outlook committee. R. V. Gunn, Mich., 11:00 a.m.
Mary May Miller, Minn., J. V. Pace, Miss., Nell Pickens,
Ala., Roy E. Moser, Mass., Jessie D. Hinton, Md., O. J.
Wheatly, Utah.

(Representatives of Bureau of Agricultural Economics, Home
Economics, and Extension Service will work with this Committee)

Distribution of Outlook Reports. 1:00 p.m.

FARM FAMILY LIVING
Materials Exhibited at Outlook

Material from States:

- Alabama - 1938 Outlook Program.
- Florida - The 1938 Farm Outlook for Florida, M.P. 24, Dec. 1937.
- Georgia - 1938 Agricultural Outlook for Georgia, Bull. 463, Nov. 1937.
Outlook for Farm Family Living for 1938, Willie Vie Dowdy.
Use of Discussion Method in Presenting Farm Family Living Outlook, Willie Vie Dowdy.
- Illinois - Agricultural Outlook for Illinois, 1938, Circ. 480, Dec. 1, 1937.
- Iowa - Iowa State College Outlook Conference, Nov. 18, 19, 20, 1937.
- Kansas - Agricultural Activities of Kansas Bankers - Farm and Home Management Features.
Make the Most Out of Available Resources.
Discussion Questions for Use in Community Meetings in Kansas.
The Kansas Agricultural Outlook for 1938, Ext. Circ. 137, Dec. 1937.
- Maine - Proposed Use of Outlook (or Economic) Information in Maine.
Sources of Outlook Material.
1938 Outlook for Farm Family Living in Maine.
- Massachusetts - Farm Economic Facts - "Farm Family Living."
Farm Economic Facts - "Farm Medical Service."
Farm Economic Facts - "Farm Family Living" and "Farm Credit."
- Michigan - Agricultural Economic News for Michigan - "Michigan Agricultural Outlook for 1938", No. 16, January 1938.
- Mississippi - 1938 Agricultural Outlook for Mississippi.
- Montana - The Montana Agricultural Outlook - W. H. Lamphere, "Industry and Agriculture", Circ. 89, March 1938.
- Nebraska - Business Facts Homemakers Should Know, Ext. Circ. 1195, Sept. 1938.
Business Blunders.
Farm and Home Money Management, Ext. Circ. 1196, Sept. 1938.

- New Hampshire - Income and Outgo, 1938.
- New Jersey - The 1938 Outlook, Economic Review.
- New York - Programs of Central New York Regional Economic Conferences.
- North Carolina- Panel Discussion, The Farm Family Money Management.
- Ohio - Economic Information for Ohio Farmers, No. 119, Nov. 1937.
The Agricultural Outlook for 1938.
- Oklahoma - Outlook for Farm Family Living 1938.
Farm Family Financial Planning.
- South Carolina- The Farm Outlook for South Carolina, Circ. 160, January 1938.
- South Dakota - The Bach Family Looks at 1938, Ext. Circ. 373, Jan. 1938.
- Vermont - Farm Business, "The 1938 Agricultural Outlook for Vermont,
"Vol. 5, No. 1, Feb. 1938.
- Washington - Timely Economic Information for Washington Farmers, No. 29,
Nov. 1937.
- West Virginia - Adventures in Family Living - The Family Talks Dollars
and Sense - Lesson 1. Gertrude Humphreys.
- Wyoming - The Wyoming Agricultural Situation, 1938.

Source Material:

Bureau of Home Economics, U. S. D. A. -

Suggested Discussion Questions for Use in Farm-Family-
Living Outlook Work.
Intercity Differences in Cost of Living.
Quantity Budgets for Basic Maintenance and Emergency
Standards of Living.
Releases of Consumer Purchases Study (2 notebooks).
Four Charts From Consumer Purchases Study.
Consumer Incomes in the United States.

Agricultural Adjustment Administration, U. S. D. A. -

Consumers' Guide - July 1938.
Consumers' Guide - September 1938.
Consumers' Guide - Index, 1935-1938.
Consumers' Market Service.
Consumers' Bookshelf.
Cooperative Bookshelf.
Consumer Services of Government Agencies.

Bureau of Labor Statistics, U. S. D. L. -

Changes in Cost of Living.
Retail Prices.

Consumer's Project, U. S. D. L. -

Home Medicine Cabinet.

FARM FAMILY LIVING

OCTOBER 1988

OUTLOOK CHART SERIES

1939

The charts in this book, have been selected by the Outlook Committees as those best adapted for presenting graphically the economic background for the respective commodities. Though the charts are as up-to-date as available data will permit, mimeographed data sheets will be mailed early in November for bringing to date, as of November 1, those charts and tables having monthly data. Many other charts which are useful in special cases but are not included in this booklet can be supplied upon request.*

OUTLOOK CHART BOOKS FOR 1939

Beef Cattle	Oil Seeds: Flax, Soybeans, Peanuts
Cotton	and Cottonseed
Dairy Products	Potatoes and Truck Crops
Demand, Credit and Prices	Poultry and Eggs
Farm Family Living	Rice, Dry Beans and Broomcorn
Feed Crops and Livestock	Sheep, Lambs, and Wool
Fruits and Nuts	Tobacco
Hogs	Wheat and Rye

Copies of these chart books are sent to Outlook extension workers but are not available for general distribution.

WALL CHARTS - Wall charts, 30 X 40 inches in size, will be made by the Bureau on receipt of order for 10 cents each on blueprint paper, and for 20 cents each on blackline paper. Single bromide enlargements of charts and maps not included in this booklet will be made for 75 cents, or mounted on cloth for \$1.25 each; if 25 copies or more are ordered of any single one, however, they will be furnished at the 10 and 20-cent rate, depending upon the paper. Note: Charts shown in this book are the publication type - wall charts which will be supplied on orders will have the large lettering suitable for use in extension meetings.

TO ORDER WALL CHARTS

- (1) List negative number, title, and kind of paper - blueprint or blackline.
- (2) Give name and address of individual to whom charts should be sent.
- (3) Make all remittances payable to the Treasurer of the United States, and send with order to Division of Economic Information, Bureau of Agricultural Economics, Washington, D. C.

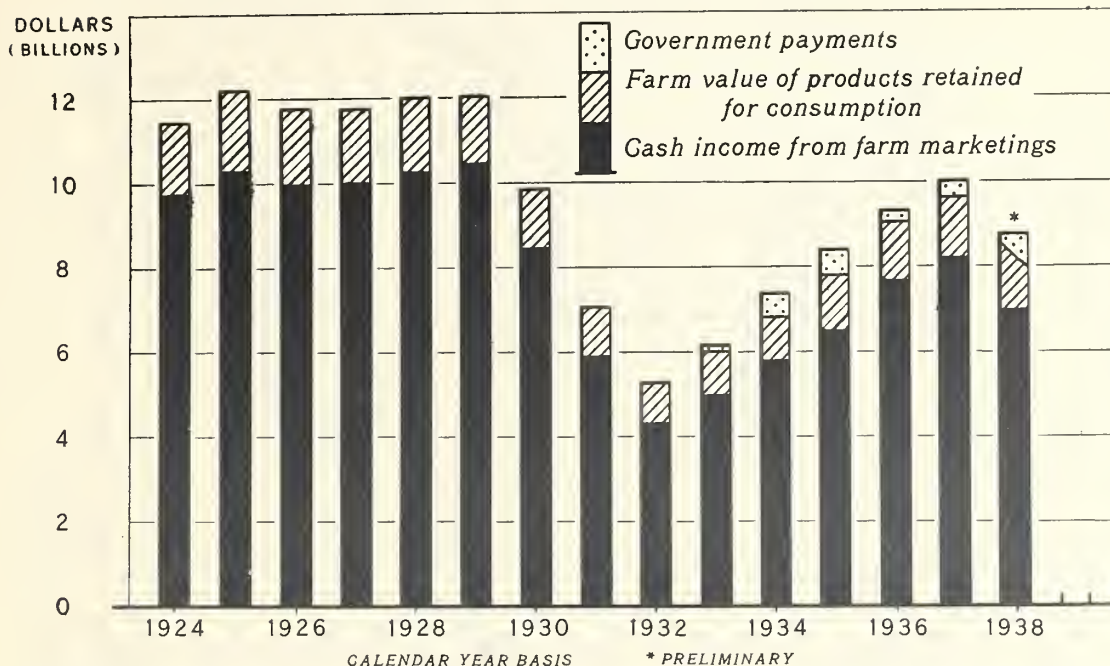
*See "Agricultural Economics Charts," mimeographed, June 1937.

LIST OF FARM FAMILY LIVING OUTLOOK CHARTS

<u>Negative</u>	<u>Title</u>	<u>Page</u>	
		<u>Chart</u>	<u>Table</u>
Income Available To Farm Families			
34549 B.A.E.	Gross and cash farm income, United States, 1924-38.....	1	1
29566 B.A.E.	Receipts from the sale of principal farm products, by regions, 1936 to date.....	2	3
34609 B.A.E.	Receipts from the sale of the principal farm products, U. S., 1936 to date.....	3	3
27015 B.A.E.	Cash farm income from livestock and livestock products, by groups, and income of industrial workers, 1924-37.....	4	4
27014 B.A.E.	Cash farm income from crops, by groups, and income of industrial workers, 1924-37.....	5	5
25 B.H.E.	Net farm income as related to gross income; farm families in Lancaster County, Pa., 1935-36.....	6	6
	Sample selected in a 1935-36 study of consumer purchases to represent regionalized types of farm- ing in the United States.....	-	7
28 B.H.E.	Families having gross farm income, net farm income, or total net income of \$1,500 and over; farm families in selected counties, Pennsylvania and Illinois, 1935-36.....	8	8
Consumption of Farm Families			
29 B.H.E.	Relation between family income and change in net worth; farm families in four selected areas, 1935-36.....	9	9
31 A B.H.E.	Average total net income, value of living, and change in net worth, by income class; farm families in selected counties, Pennsylvania and Ohio, 1935-36..	10	10
31 B.H.E.	Average value of living by income class: Percentages taken by specified groups of items; farm families in selected counties, Pennsylvania and Ohio, 1935-36.....	11	11
32 B.H.E.	Average money expenditures for family living, by income class; farm families in selected counties, Pennsylvania and Ohio, 1935-36.....	12	12

<u>Negative</u>	<u>Title</u>	<u>Page</u>	
		<u>Chart</u>	<u>Table</u>
	Prices Paid For Goods Purchased For Family Living		
32678 B.A.E.	Wholesale prices of farm and nonagricultural products and of all commodities, 1921-38.....	13	13
18350 B.A.E.	Prices received and paid by farmers, index numbers, 1910-38.....	14	14
24214-B B.A.E.	Prices paid by farmers for food, clothing, and family maintenance, 1910-38.....	15	15
30 B.H.E.	Retail cost of food: Cereals, fruits and vegetables, sugars, and all foods, 1929 to date.....	16	17
27 B.H.E.	Retail cost of food: Dairy products, eggs, fats and oils, meats, and all foods, 1929 to date.....	18	19
26 B.H.E.	Wholesale costs of textiles and clothing, 1923 to date	20	21
34601 B.A.E.	Prices paid by farmers for building materials for house, and family maintenance, 1910 to date.....	22	23
34602 B.A.E.	Prices paid by farmers for operating expenses, furniture and furnishings, and family maintenance, 1910 to date.....	22	23

GROSS AND CASH FARM INCOME, UNITED STATES, 1924-38



U. S. DEPARTMENT OF AGRICULTURE

NEG. 34549 BUREAU OF AGRICULTURAL ECONOMICS

Gross income from farm production, 1924 to date

The estimates of gross farm income shown in the chart include the cash income from sales of farm products, the value of farm products retained for consumption in the farm home (valued at average prices received by producers), and, beginning in 1933, Government payments to farmers. All of these estimates are on a calendar year basis.

The gross farm income of \$10,003,000,000 in 1937 may be compared with \$9,317,000,000 in 1936 and with \$5,284,000,000 in 1932. The greater

portion of the increase from 1936 to 1937 was due to the increase in income from crops and from Government payments. Total gross income from the 78 different crops on which estimates are based increased 11 percent. Gross income from livestock and livestock products increased 3 percent. Government payments during 1937 were 28 percent larger than in 1936.

August 1938 estimates place gross farm income for the year 1938 at \$8,750,000,000.

Gross and cash farm income in the United States, calendar years 1924 to date

Year	Cash income from farm marketings	Farm value of products retained for consumption	Gross farm income	Government payments	Gross farm income and Government payments
	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.
1924	9,785	1,698	11,483	-	-
1925	10,324	1,919	12,243	-	-
1926	9,993	1,798	11,791	-	-
1927	10,016	1,737	11,753	-	-
1928	10,289	1,727	12,016	-	-
1929	10,479	1,570	12,049	-	-
1930	8,451	1,396	9,847	-	-
1931	5,899	1,143	7,042	-	-

Year	Cash income from farm marketings	Farm value of products retained for consumption	Gross farm income	Government payments	Gross farm income and Government payments
	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.
1932	4,328	956	5,284	-	-
1933	4,955	1,025	5,980	162	6,142
1934	5,792	1,044	6,836	556	7,392
1935	6,507	1,310	7,817	583	8,400
1936	7,657	1,373	9,030	287	9,317
1937 ^{2/}	8,233	1,403	9,636	367	10,003
1938 ^{3/}		1,250			8,750

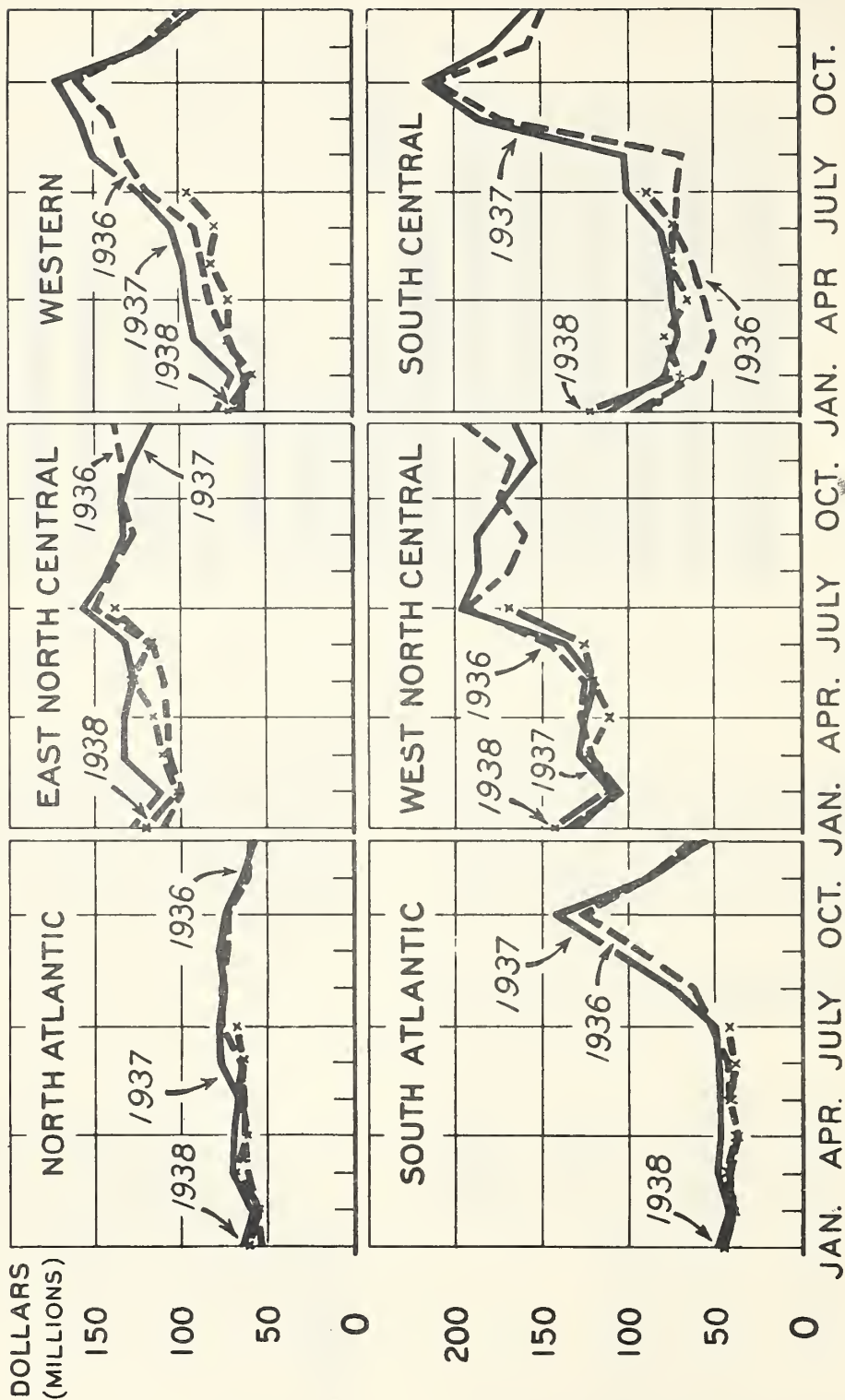
Bureau of Agricultural Economics

1/ Quantities retained for home consumption valued at average prices received by producers during the calendar year.

2/ Preliminary.

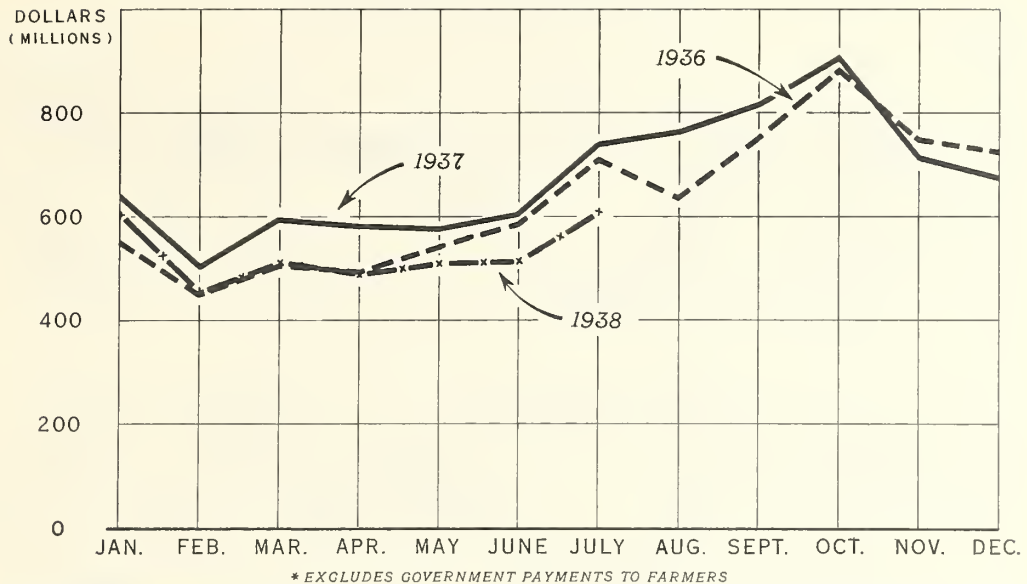
3/ Tentative estimates.

RECEIPTS FROM THE SALE OF PRINCIPAL FARM PRODUCTS, BY REGIONS, 1936 TO DATE *



* EXCLUDES GOVERNMENT PAYMENTS TO FARMERS

RECEIPTS FROM THE SALE OF PRINCIPAL FARM PRODUCTS, UNITED STATES, 1936 TO DATE*



U.S. DEPARTMENT OF AGRICULTURE

NEG. 34609

BUREAU OF AGRICULTURAL ECONOMICS

Receipts from sale of principal farm products (excluding Government payments), 1936 to date

Periodic estimates of receipts from the sales of farm products indicate how farm income is likely to change from year to year or from season to season. These estimates are based on sales of 33 important farm commodities which, for the country as a whole, contribute about 93 percent of the annual cash income from all farm products.

Seasonal variations are most marked in those regions where farm income is derived mainly from crops. This is especially true in the South Atlantic and South Central regions. But in the North Atlantic and East North Central

regions, where income is chiefly from livestock or livestock products, seasonal variation is much less marked.

For the country as a whole, receipts from farm marketings in the first 8 months of 1938 were 14 percent below the corresponding period of 1937. Receipts from crop sales were down 24 percent and receipts from sales of livestock and livestock products were down 6 percent. Lower prices were largely responsible for this decline in cash receipts.

Cash receipts from sale of principal farm products (excluding Government payments), 1937 to date

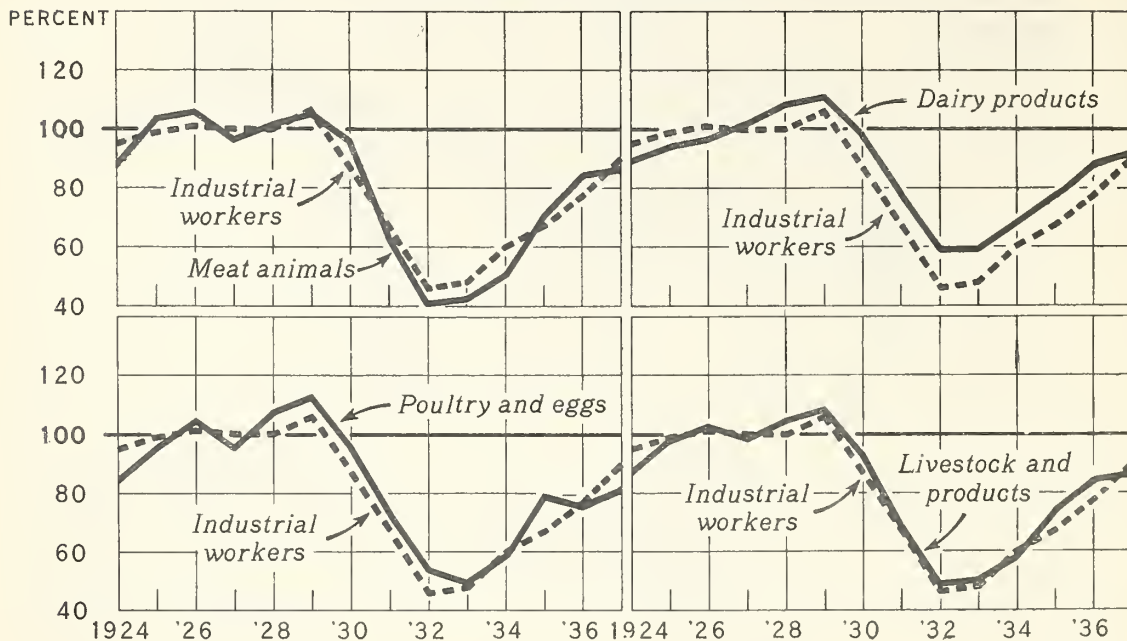
Year and month	North Atlantic	South Atlantic	East North Central	West North Central	South Central	Western	United States ^{1/}
1937	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.
January.....	63.3	49.2	127.6	131.7	119.1	78.2	638
February.....	58.2	42.2	111.1	106.5	70.8	69.1	505
March.....	69.7	48.5	132.9	125.8	73.3	92.3	596
April.....	67.8	46.8	133.1	125.1	70.6	95.2	583
May.....	67.7	47.3	128.6	119.5	76.6	97.6	577
June.....	77.4	49.1	132.5	137.0	80.1	104.4	604
July.....	78.2	49.0	157.6	195.9	100.3	124.0	740
August.....	74.7	73.8	143.0	186.4	102.3	152.3	766
September.....	77.3	108.0	132.5	186.8	185.4	159.1	816
October.....	74.6	142.2	133.8	171.4	216.1	170.2	907
November.....	64.7	86.6	128.2	154.1	178.0	116.3	713
December.....	57.4	55.0	116.3	166.3	157.4	90.9	675
1938							
January.....	61.2	45.1	120.6	142.8	122.6	70.1	603
February.....	55.2	38.6	100.5	110.8	67.9	56.4	456
March.....	67.8	42.6	110.3	122.0	77.8	71.3	512
April.....	60.9	37.1	116.0	110.6	65.3	71.4	489
May.....	64.5	41.4	127.3	120.2	73.3	80.1	509
June.....	63.0	39.7	117.4	127.1	73.6	78.1	514
July.....	67.8	44.3	137.0	170.2	88.7	96.0	609
August.....							
September.....							
October.....							
November.....							
December.....							

Bureau of Agricultural Economics

^{1/} These figures are not equal to the sum of the regional estimates. The figures for the country as a whole have been adjusted downward for interstate sale of livestock, and include income from some farm products not included in regional estimates.

CASH FARM INCOME FROM LIVESTOCK AND LIVESTOCK PRODUCTS, BY GROUPS, AND INCOME OF INDUSTRIAL WORKERS, 1924-37

INDEX NUMBERS (1924-29=100)



NEG. 27015

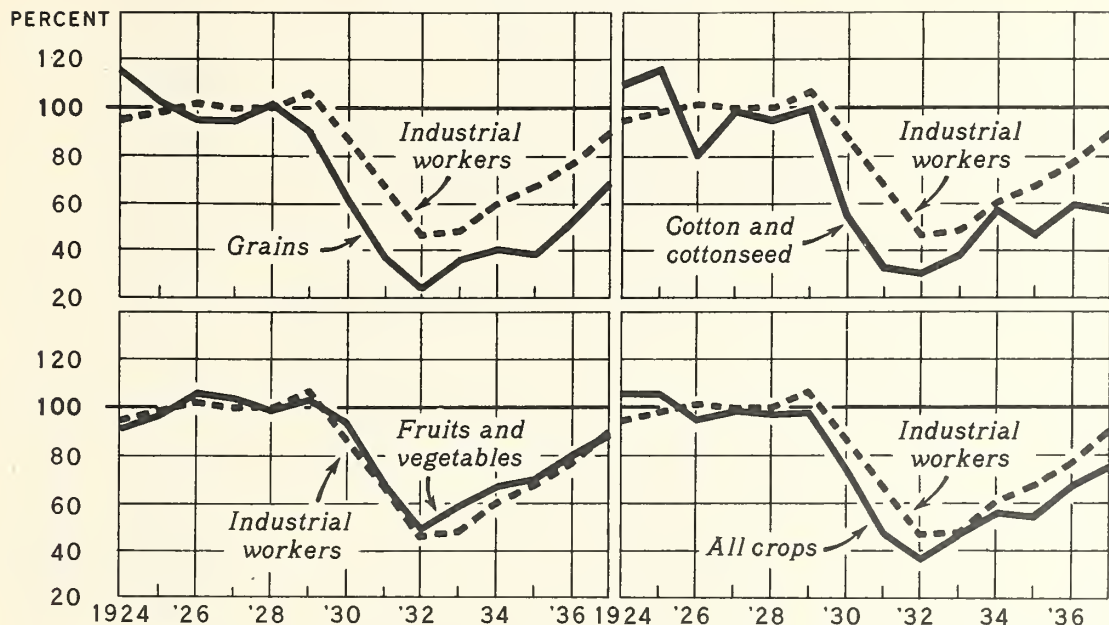
Changes in the quantities of livestock and livestock products marketed from year to year influence prices received; but, since prices decline when the quantity marketed increases, and vice versa, the changes in marketings affect cash income less than they do prices. Changes in prices resulting from changes in consumer purchasing power and demand, however, may not be offset by changes in quantities sold. Hence, the incomes received by producers from the sale of livestock and livestock products tend to vary with changes in the incomes of industrial workers and other consumers.

Cash farm income from livestock and livestock products, by groups, and income of industrial workers, United States, 1924-37
Index numbers (1924-29 = 100)

Year	Meat animals	Dairy products	Poultry and eggs	All livestock and products	Industrial workers
1924	87.5	89.0	84.0	87.5	95
1925	103.5	94.0	95.5	98.5	99
1926	105.5	96.5	104.5	102.5	101
1927	96.5	101.5	95.5	98.5	100
1928	101.5	108.5	107.5	105.0	100
1929	105.5	111.0	112.5	108.5	106
1930	91.5	98.5	96.0	93.5	87
1931	63.5	78.5	73.5	69.0	67
1932	41.0	59.5	54.0	49.0	46
1933	42.5	59.5	49.5	50.5	48
1934	50.5	68.5	59.5	58.5	60
1935	70.5	77.5	79.0	74.0	67
1936	84.5	88.0	75.5	84.5	77
1937	86.0	92.0	81.0	87.5	90
1938					
1939					

CASH FARM INCOME FROM CROPS, BY GROUPS, AND INCOME OF INDUSTRIAL WORKERS, 1924-37

INDEX NUMBERS (1924-29=100)



NEG. 27014

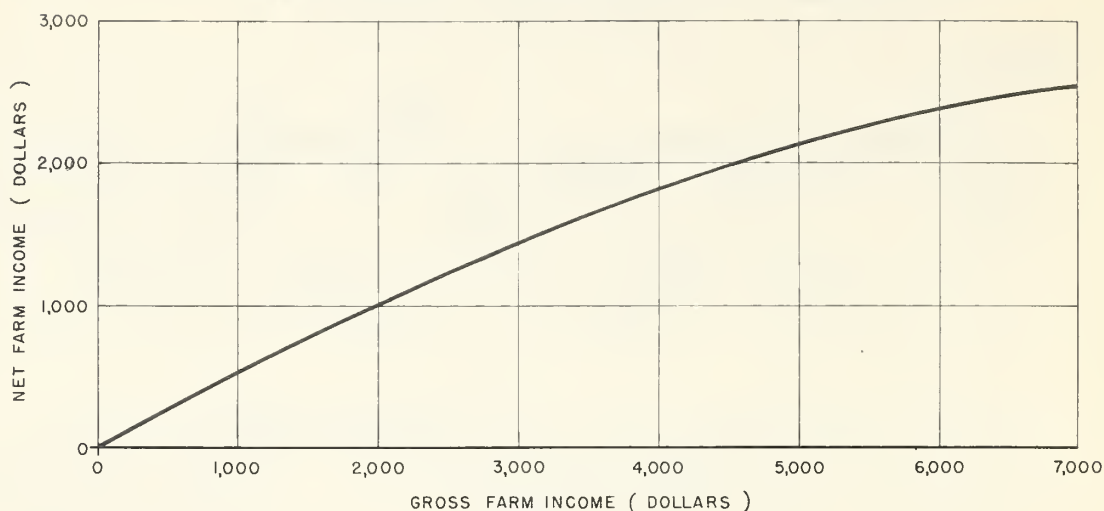
Farmers' income from the sale of some crops such as grains and cotton is not so closely related to the income of industrial workers as is the income from livestock, fruits and vegetables. This is due to a number of conditions, among which are the influence of industrial activity upon manufacturers' demand for raw materials such as cotton, the influence of international conditions on the prices of these commodities, and the effects of changes in the carry-over of relatively non-perishable farm products from one season to another.

Cash farm income from crops, by groups, and income of industrial workers, United States,
1924-37
Index numbers (1924-29 = 100)

Year	Grains	Cotton and cottonseed	Fruits and vegetables	All crops	Industrial workers
1924	115.5	109.5	91.5	105.0	95
1925	102.5	116.0	97.5	105.0	99
1926	95.5	80.5	105.5	95.0	101
1927	95.0	99.0	103.5	99.0	100
1928	101.0	95.5	99.5	98.0	100
1929	91.0	99.5	103.0	98.5	106
1930	62.0	54.5	94.0	73.5	87
1931	37.0	32.5	68.0	47.5	67
1932	24.0	30.5	49.5	36.5	46
1933	36.5	38.0	59.0	47.0	48
1934	40.5	57.0	67.0	56.0	60
1935	38.5	47.0	70.0	54.5	67
1936	53.0	59.5	80.0	67.0	77
1937	69.0	57.0	88.5	75.0	90
1938					
1939					

NET FARM INCOME AS RELATED TO GROSS INCOME

FARM FAMILIES IN LANCASTER COUNTY, PA., 1935-36



SOURCE OF DATA: CONSUMER PURCHASES STUDY

U.S. DEPT. OF AGRICULTURE
BUREAU OF HOME ECONOMICS
NEG. 25

Net farm income as related to gross income, 1935-36

For one general farming area (Lancaster County, Pennsylvania) this chart shows how the average net farm income increased as gross farm income rose from about \$100 to \$7,000. Families were classified by gross farm income; for each income class average net farm income was obtained. Thus, when the gross farm income was between \$1,250 and \$1,500 (averaging \$1,448), the average net farm income was \$747.

Because farm expenses took a larger proportion of gross farm income at the higher than at the lower income levels, net farm income increased less rapidly than gross. Net farm income averaged \$193 or 49 percent of gross income when the latter averaged \$394, and \$2,564, or 37 percent when average gross income stood at \$6,998.

The relation between net and gross farm income shown in this chart cannot be used to estimate the net farm income of a particular family. It gives only the average net farm income for a large number of families that had approximately the same gross farm income.

The relation between net and gross farm income is not the same for all regions or all types of farming. In the table below are shown figures for four different farm areas that provide for each the necessary information for making estimates of average net farm income from gross farm income.

Net farm income as related to gross income in four localities, 1935-36

Gross farm income class	Vermont		Pennsylvania		Washington		Southern California	
	Average gross income	Average net farm income	Average gross income	Average net farm income	Average gross income	Average net farm income	Average gross income	Average net farm income
\$0 - \$249	\$ 175	\$ 14	\$187	\$31	\$202	\$97	\$ 212	\$-142
250 - 499	448	206	394	193	384	243	398	-109
500 - 749	666	350	625	318	623	366	634	23
750 - 999	935	470	897	476	895	556	886	211
1,000 - 1,249	1,163	597	1,149	621	1,135	703	1,139	261
1,250 - 1,499	1,424	711	1,448	747	1,394	843	1,361	415
1,500 - 1,749	1,667	782	1,649	865	1,624	935	1,700	511
1,750 - 1,999	1,885	806	1,889	907	1,914	1,169	1,882	672
2,000 - 2,249	2,147	927	2,169	1,049	2,175	1,244	2,121	733
2,250 - 2,499	2,446	1,061	2,449	1,178	2,376	1,286	2,386	968
2,500 - 2,999	2,776	1,126	2,830	1,357	2,834	1,400	2,742	1,091
3,000 - 3,999	3,524	1,597	3,538	1,562	3,390	1,650	3,452	1,290
4,000 - 4,999	4,426	1,604	4,561	1,992	4,457	2,146	4,590	1,839
5,000 and over	6,897	2,112	6,998	2,564	8,578	3,316	10,016	3,823

Source: Consumer Purchases Study

Bureau of Home Economics

Sample selected in a 1935-36 Study of Consumer Purchases to represent regionalized types of farming in the United States

An extensive study of 1935-36 farm family expenditures for living, by income, has been made by the Bureau of Home Economics in 64 counties selected to represent specific type-of-farming areas. In these areas conditions favored specialization and incomes therefore were probably better-than-average for the State. An exception to this is the self-sufficing area in Western North Carolina where farm incomes probably were below average for the State. Families of white farm operators were studied exclusively except in the Southeast, where Negro as well as white families, and sharecroppers as well as operators were included.

State	Counties ¹	Percentage of families ² in random sample	Chief type of farming
Vermont.....	Chittenden, Franklin.....	50.0	Dairy
New Jersey.....	Camden, Gloucester, Salem.....	100.0	Truck
Pennsylvania.....	Lancaster.....	37.5	General
Ohio.....	Crawford, Knox, Richland.....	25.0	General
Illinois.....	De Witt, Logan, Macon, Piatt.....	25.0	Corn or cash grain
Michigan.....	Lenawee.....	75.0	Dairy and general
Wisconsin.....	Dane.....	50.0	Dairy
Iowa.....	Madison, Mahaska, Marion, Marshall, Poweshiek.....	25.0	Animal specialty
North Dakota.....	Barnes, Cass, Griggs, Steele.....	50.0	Wheat or cash grain
Kansas.....	Edwards, Ford, Gray, Meade.....	50.0	Wheat or cash grain
North Carolina.....	Jackson, Macon.....	50.0	Self-sufficing
North Carolina.....	Edgecombe, Nash.....	37.5	Cotton and tobacco
South Carolina.....	Clarendon, Darlington, Florence, Lee, Marion, Sumter.....	50.0	Cotton and tobacco
Georgia.....	Clarke, Elbert, Greene, Jackson, Madison, Morgan, Oconee, Wilkes.....	25.0	Cotton
Mississippi.....	Bolivar, Leflore, Sunflower, Washington.....	50.0	Cotton
Montana, South Dakota, Colorado.....	Custer, Montana; Pennington, South Dakota; Eagle, Garfield, Rio Blanco, Colorado.....	100.0	Range livestock and cash grain
Washington.....	Whatcom.....	100.0	Dairy and poultry
Oregon.....	Marion, Polk.....	100.0	General and fruit
California.....	San Joaquin.....	25.0	Fruit and dairy
California.....	Orange, Riverside.....	100.0	Fruit and nut

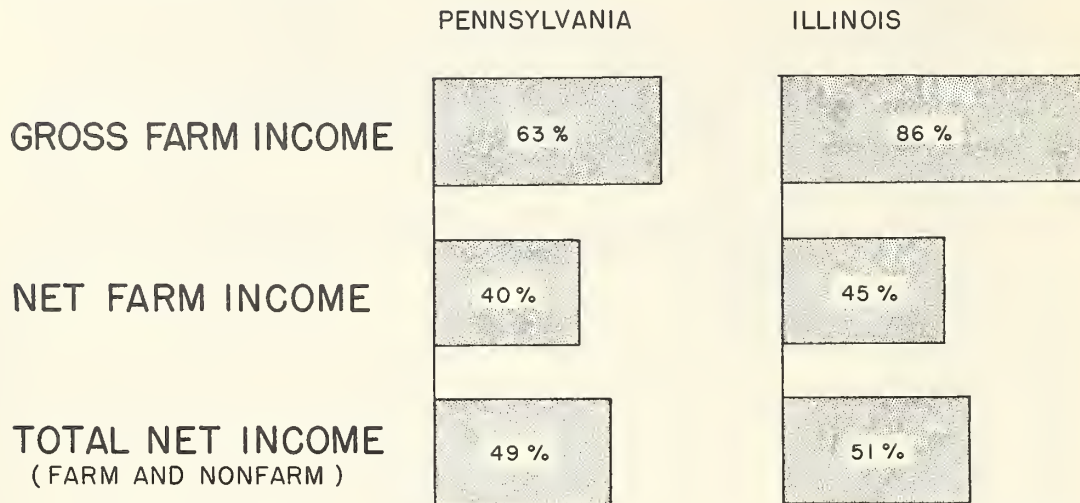
¹/ In a few counties certain minor civil divisions were omitted because of topography or population characteristics.

²/ Of the families in the random sample, information on income was obtained only from families that (1) included a husband and wife, both native born, who had been married one year or more; (2) had resided on and operated the same farm for at least one year; (3) were willing and able to give information requested.

Information on expenditures was obtained only from families that met the requirements listed above and, in addition, (1) had not received relief during the year; (2) included 0 to 6 other persons besides the husband and wife; (3) met certain specifications regarding maximum number of guests, roomers, and boarders in household.

FAMILIES HAVING GROSS FARM INCOME, NET FARM INCOME, OR TOTAL NET INCOME OF \$1,500 AND OVER

FARM FAMILIES IN SELECTED COUNTIES, PENNSYLVANIA AND ILLINOIS, 1935-36



SOURCE OF DATA CONSUMER PURCHASES STUDY

U. S. DEPT. OF AGRICULTURE
BUREAU OF HOME ECONOMICS
NEG 28

Families having gross farm income, net farm income, or total net income of \$1,500 and over
Farm families in selected counties, Pennsylvania and Illinois, 1935-36

Gross farm income is only a rough index of the amount of money available for family living. When farm operating expenses have been deducted from gross income, the apparent economic status of the family may be considerably altered. Thus, in Lancaster Co., Pa., 63 percent of the families studied had gross farm incomes of \$1,500 and over, but the net farm incomes of only 40 percent were as high as \$1,500. In selected counties in Illinois 86 percent of the families studied had gross incomes and 45 percent had net farm incomes of \$1,500 and over.

income may be somewhat higher than net farm income. Supplements of this kind brought the total net family income of 9 percent of the Pennsylvania group and 6 percent of the Illinois group from under \$1,500 to \$1,500 or over. As a result, 49 percent of the Pennsylvania families and 51 percent of the Illinois families had net family income as high as \$1,500.

The table below shows for four farming areas the percentage distribution of families into 15 income classes on the basis of gross farm income, net farm income, and total net family income.

In many families there is additional income from nonfarm sources, so that total net family

Percentage of families in selected localities with gross farm income, net farm income, and total net family income within specified classes, 1935-36

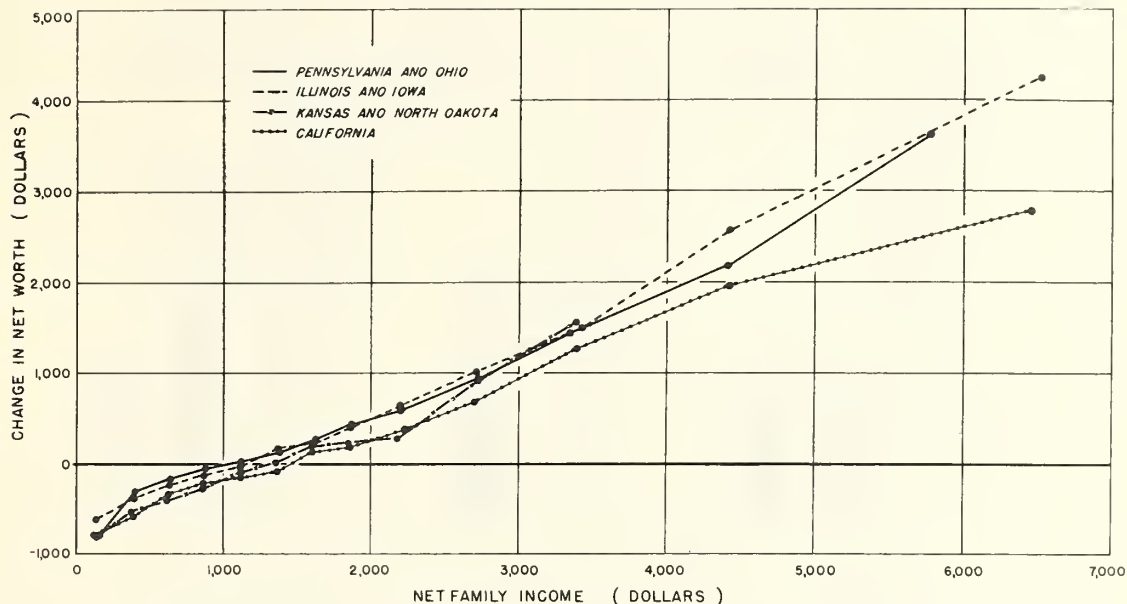
Income class	Pennsylvania			Illinois			Kansas			Central California		
	Gross farm income	Net farm income	Total net family income	Gross farm income	Net farm income	Total net family income	Gross farm income	Net farm income	Total net family income	Gross farm income	Net farm income	Total net family income
All incomes	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Negative	0.0	1.5	0.3	0.2	1.4	0.6	0.0	9.0	6.9	0.0	3.0	1.1
\$0 - \$249	5.4	6.8	0.9	0.4	1.1	0.4	1.0	9.2	6.5	4.8	10.1	1.9
250 - 499	7.1	10.5	4.4	1.5	3.8	2.6	3.2	16.6	14.7	5.9	11.5	5.2
500 - 749	6.4	12.1	9.6	1.8	7.2	5.9	6.2	16.6	14.9	4.1	8.9	9.3
750 - 999	6.2	10.5	12.4	2.5	12.4	11.4	10.0	16.3	16.3	6.3	13.8	13.7
1,000 - 1,249	6.3	10.3	11.8	3.6	14.2	14.2	12.0	9.2	12.0	5.9	11.5	10.8
1,250 - 1,499	5.5	8.5	12.0	3.7	14.8	13.9	14.1	7.5	8.9	6.7	8.2	11.2
1,500 - 1,749	5.8	8.9	11.3	4.6	11.9	13.0	10.9	4.5	5.4	9.3	9.3	9.7
1,750 - 1,999	5.1	7.6	8.8	5.5	9.4	8.9	7.5	2.8	3.7	5.6	5.9	8.9
2,000 - 2,249	4.7	6.6	7.3	6.8	5.6	6.9	5.7	1.7	3.2	6.7	3.7	5.2
2,250 - 2,499	5.4	3.9	5.4	6.5	4.7	5.5	5.0	1.0	1.7	4.8	3.7	4.5
2,500 - 2,999	8.1	5.7	6.9	12.9	6.2	7.6	7.2	2.7	2.2	7.9	0.7	4.8
3,000 - 3,999	13.4	5.3	6.5	20.6	5.0	5.8	8.5	2.0	2.5	9.3	4.5	7.4
4,000 - 4,999	9.7	1.3	1.4	12.8	1.1	1.3	3.7	0.2	0.3	7.4	2.6	3.3
5,000 and over	10.9	0.5	1.0	16.6	1.2	2.0	5.0	0.7	0.8	15.3	2.6	3.0

Source: Consumer Purchases Study

Bureau of Home Economics

RELATION BETWEEN FAMILY INCOME AND CHANGE IN NET WORTH

FARM FAMILIES IN FOUR SELECTED AREAS, 1935-36



Relation between total net family income and change in net worth
4 selected farm areas, 1935-36

The relation between net farm family income and the average change in net worth varies somewhat with the type of farming and geographic area. When incomes are low, the average value of family living exceeds the average family income and the average change in net worth is negative. Families are forced to increase their liabilities or decrease their assets.

The general pattern in 1935-36 was similar in all regions. Usually the income point at which the average change in net worth crossed from a negative to a positive value was at approximately \$1,000. In a few regions, as California, this point was as high as \$1,500.

In income classes under \$1,000 the value of home-produced goods represents a large share of family income. Therefore, a large number of farm families which nearly balance income and expenditures have money incomes much below \$1,000.

The ratio of average change in net worth to average family income increases rapidly with income. For the Pennsylvania-Ohio area, at incomes \$1,000-1,249, average surplus was 2 percent of average family income in 1935-36; at incomes of \$2,500-2,999 it was 34 percent of the family income, and in the highest income class it was 63.

Relation between family income and change in net worth, by income class, in selected farm areas, 1935-36

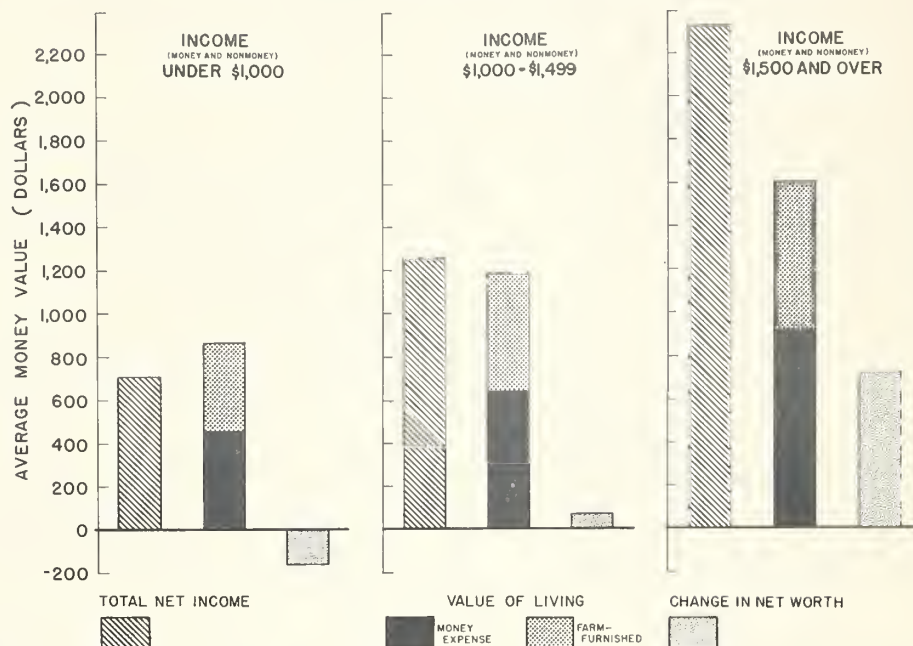
Income class	Pennsylvania and Ohio		Illinois and Iowa		Kansas and North Dakota		California	
	Family income	Change in net worth	Family income	Change in net worth	Family income	Change in net worth	Family income	Change in net worth
\$0 - \$249	\$ 164	-\$798	\$ 148	-\$622	\$ 150	-\$808	\$ 123	-\$795
250 - 499	402	- 304	400	- 387	381	- 535	392	- 585
500 - 749	638	- 165	634	- 245	624	- 404	631	- 347
750 - 999	881	- 51	877	- 126	868	- 281	874	- 240
1,000 - 1,249	1,127	26	1,112	- 38	1,122	- 99	1,123	- 151
1,250 - 1,499	1,376	122	1,371	163	1,363	21	1,373	- 92
1,500 - 1,749	1,625	257	1,616	229	1,608	209	1,613	129
1,750 - 1,999	1,870	411	1,874	423	1,850	232	1,868	181
2,000 - 2,499	2,211	590	2,215	650	2,184	283	2,236	375
2,500 - 2,999	2,738	931	2,722	1,021	2,735	947	2,712	681
3,000 - 3,999	3,358	1,449	3,439	1,509	3,407	1,560	3,412	1,161
4,000 - 4,999	4,424	2,182	4,442	2,576	-	-	4,438	1,962
5,000 - 9,999	5,795	3,638	6,544	4,257	-	-	6,472	2,800

Source: Consumer Purchases Study

Bureau of Home Economics

AVERAGE TOTAL NET INCOME, VALUE OF LIVING, AND CHANGE IN NET WORTH, BY INCOME CLASS

FARM FAMILIES IN SELECTED COUNTIES, PENNSYLVANIA AND OHIO, 1935-36



SOURCE OF DATA: CONSUMER PURCHASES STUDY

U.S. DEPT. OF AGRICULTURE
BUREAU OF HOME ECONOMICS
NEG 31A

Average total net income, value of living, and change in net worth, by income class
Farm families in selected counties, Pennsylvania and Ohio, 1935-36

Farm families in selected counties in Pennsylvania and Ohio in 1935-36 with net money and nonmoney incomes under \$1,000 had an average deficit or decrease in net worth of \$160. The value of family living, composed of money expenditures and value of farm-furnished goods, exceeded family money and nonmoney income for more than half of the families.

Families with incomes \$1,000 or more had an average surplus. When incomes were between \$1,000 and \$1,500, the average value of family living was nearly equal to average family income and the increase in net worth was small. When incomes were \$1,500 and over the average surplus was 45 percent of the value of family living.

Average total net income, value of living, and change in net worth, by income class
Farm families in selected counties, Pennsylvania and Ohio, 1935-36

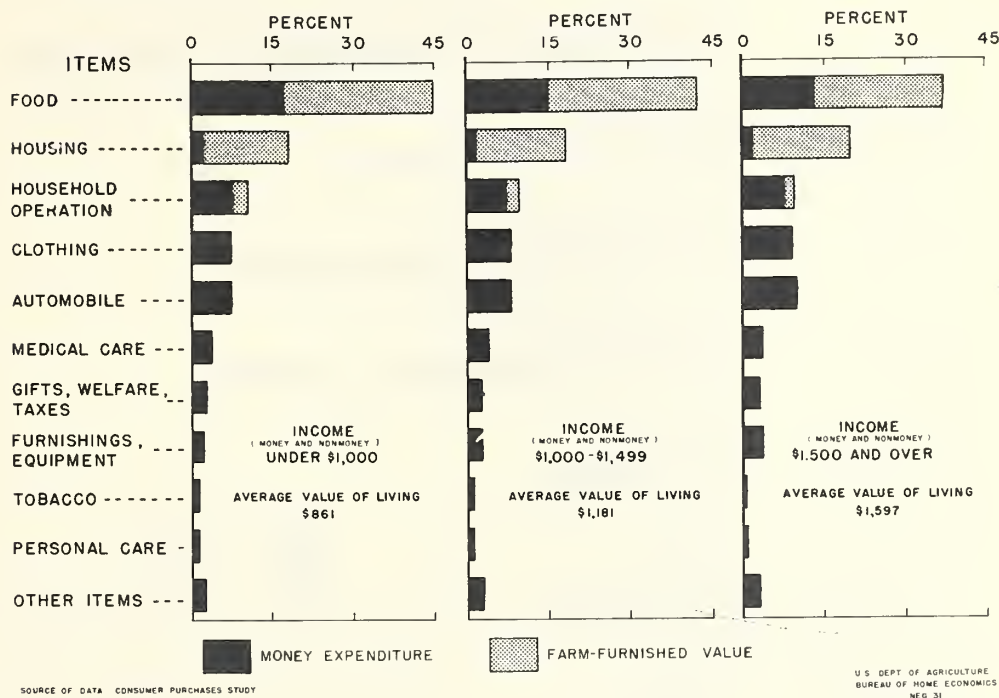
Item	Income under \$1,000		Income \$1,000 - 1,499		Income \$1,500 and over	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
Total net family income (money and nonmoney)...	701	100.0	1,255	100.0	2,317	100.0
Change in net worth.....	-160	-22.8	74	5.9	720	31.1
Value of family living:						
Total.....	861	122.8	1,181	94.1	1,597	68.9
Expenditures.....	458	65.3	637	50.8	917	39.6
Farm-furnished value.....	403	57.5	544	43.3	680	29.3

Source: Consumer Purchases Study

Bureau of Home Economics

AVERAGE VALUE OF LIVING BY INCOME CLASS: PERCENTAGES TAKEN BY SPECIFIED GROUPS OF ITEMS

FARM FAMILIES IN SELECTED COUNTIES, PENNSYLVANIA AND OHIO, 1935-36



Average value of living, by income class: Value and percentages represented by specified groups of items
Farm families in selected counties, Pennsylvania and Ohio, 1935-36

Average value of living of farm families increases as income rises, but not proportionally. Well-to-do families spend relatively less of their incomes and save relatively more than families with limited means. In selected counties of Pennsylvania and Ohio in 1935-36, among families with incomes under \$1,000 (average, \$701) average value of living was \$861; among those with incomes of \$1,500 and over (average, \$2,317) average value of living was \$1,597. While average income more than trebled, average value of living did not double.

Food, bought and home-produced, ranked in value above all other items of living. Value of occupancy of the farm home ranked second. Household operation ranked third for the low and intermediate income groups; but for the high, the automobile was third and household operation, fourth. The average money value of each item of living was greater among high-income families than among the others. However, food represented only 37 percent of their total value of living compared with 44 percent of that of the low-income group.

Average value of living, by income class: Value and percentages represented by specified groups of items
Farm families in selected counties, Pennsylvania and Ohio, 1935-36

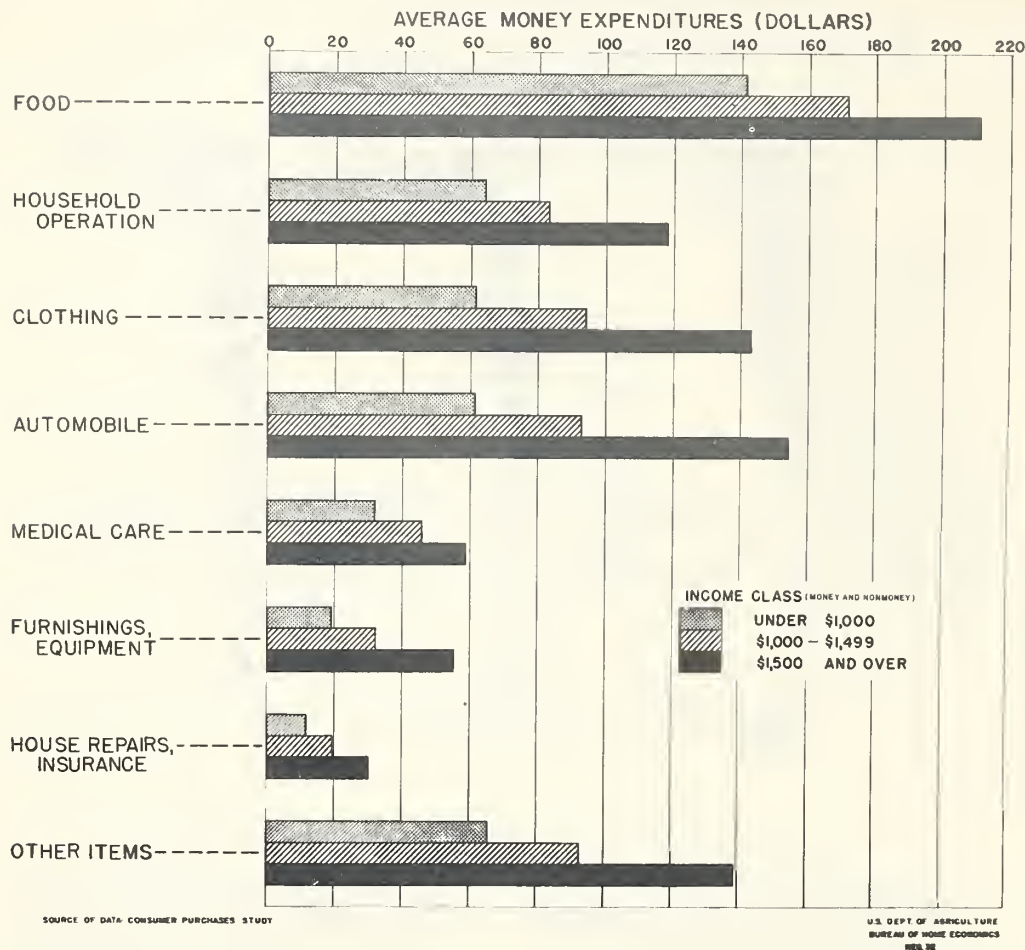
Item	Money and nonmoney income class of-					
	Under \$1,000 (average, \$701)		\$1,000-1,499 (average, \$1,255)		\$1,500 and over (average, \$2,317)	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
Value of family living: Total.....	861	100.0	1,181	100.0	1,597	100.0
Food: Total value.....	380	44.2	496	42.0	584	36.6
Expenditures.....	142	16.5	174	14.7	212	13.3
Farm-furnished value.....	238	27.7	322	27.3	372	23.3
Housing: Total value.....	151	17.5	212	18.0	312	19.6
Expenditures (repairs, insurance).....	12	1.4	19	1.6	30	1.9
Farm-furnished value.....	139	16.1	193	16.4	282	17.7
Household operation: Total value.....	90	10.4	113	9.5	146	9.1
Expenditures.....	64	7.4	84	7.1	120	7.5
Farm-furnished value.....	26	3.0	29	2.4	26	1.6
Clothing.....	62	7.2	95	8.1	144	9.0
Automobile for family use.....	62	7.2	93	7.9	157	9.8
Medical care.....	32	3.7	46	3.9	59	3.7
Gifts, community welfare, selected taxes.....	21	2.5	31	2.6	51	3.2
Furnishings, equipment.....	19	2.2	33	2.7	56	3.5
Tobacco.....	11	1.3	12	1.0	13	0.8
Personal care.....	11	1.2	14	1.2	17	1.1
Other items: Total.....	22	2.6	36	3.1	58	3.6
Recreation.....	9	1.1	16	1.4	24	1.5
Reading.....	6	0.7	7	0.6	9	0.5
Travel and transportation (not by automobile).....	2	.2	2	.2	6	.4
Education.....	2	.2	5	.4	11	.7
Other items.....	3	.4	6	.5	8	.5

Source: Consumer Purchases Study

Bureau of Home Economics

AVERAGE MONEY EXPENDITURES FOR FAMILY LIVING, BY INCOME CLASS

FARM FAMILIES IN SELECTED COUNTIES, PENNSYLVANIA AND OHIO, 1935-36



Average money expenditures for family living, by income class
Farm families in selected counties, Pennsylvania and Ohio,
1935-36

Money expenditures for farm family living in selected counties of Pennsylvania and Ohio averaged \$458 in 1935-36 for families with incomes (money and nonmoney) under \$1,000, and \$917, about twice as much, for families with incomes of \$1,500 or more.

Expenditures for food averaged \$142 in the lowest of the three income classes, and \$212 in the highest—an increase of 50 percent. Expenditures for household operation and medical care

were about twice as high in the highest income class as in the lowest. Expenditures for clothing, for the family's share in the use of the automobile, and for furnishings and equipment were more than twice as high.

Food took more of the money for family living than did any other item. Expenditures for house operation, clothing, and the family car came next. Together these four consumption groups account for about 70 percent of expenditures for family living in all three income classes.

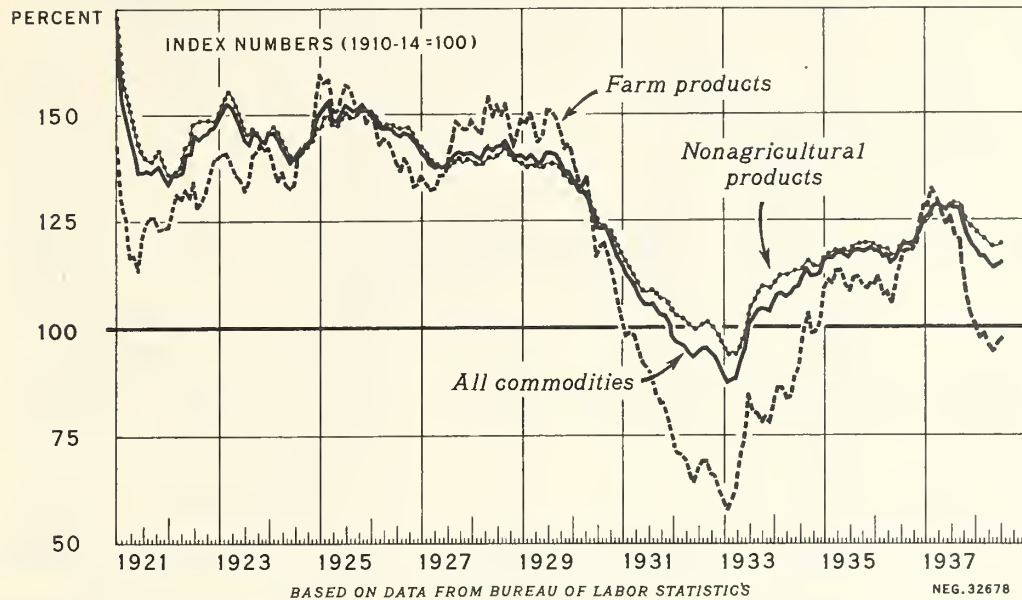
Average money expenditures for family living and percentage spent for specified items, by income class
Farm families in selected counties, Pennsylvania and Ohio, 1935-36

Item	Average money expenditures					
	Income under \$1,000		Income \$1,000-1,499		Income \$1,500 and over	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
All items	458	100.0	637	100.0	917	100.0
Food	142	31.1	174	27.3	212	23.1
Household operation ..	64	13.9	84	13.2	120	13.1
Clothing	62	13.6	95	15.0	144	15.7
Automobile	62	13.5	93	14.6	157	17.1
Medical care	32	6.9	46	7.2	59	6.4
Furnishings, equipment	19	4.2	33	5.1	56	6.1
Housing	12	2.6	19	3.0	30	3.3
Other items	65	14.2	93	14.6	139	15.2

Source: Consumer Purchases Study

Bureau of Home Economics

WHOLESALE PRICES OF FARM AND NONAGRICULTURAL PRODUCTS AND OF ALL COMMODITIES, 1921-38



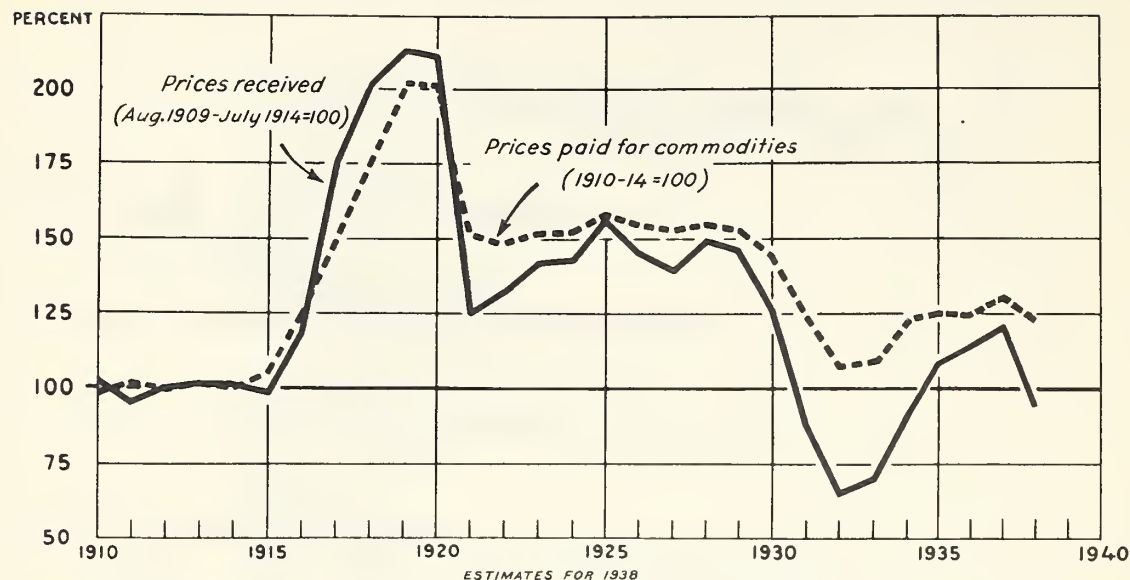
During the depression which began in 1929, wholesale prices of farm products in the United States declined faster and farther than wholesale prices of nonagricultural products, but regained approximately their pre-war and pre-depression relationships in early 1937, following the general rise which started in 1933. Since the early part of 1937 prices of farm products have declined sharply, much more than the prices of nonagricultural products. This has increased the disparity between prices of farm and nonagricultural products, which nearly always is the case during years of industrial recession and falling prices. The disparity tends to narrow in years of increasing business activity and rising prices, since the increased demand results in higher prices for a relatively fixed volume of agricultural production, whereas it brings a larger output of nonagricultural products which sell for relatively inflexible prices.

Wholesale prices of farm and nonagricultural products and of all commodities, 1921-38
Index numbers (1910-14 = 100)

Month	Farm	Nonagri-	All com-	Farm	Nonagri-	All com-	Farm	Nonagri-	All com-	Farm	Nonagri-	All com-	Farm	Nonagri-	All com-
	products	products	products	products	products	products	products	products	products	products	products	products	products	products	products
Jan.	142.5	113.9	106.4	123.4	136.4	133.4	139.7	151.7	148.9	142.2	146.5	145.4	159.6	147.7	150.2
Feb.	130.0	100.4	101.1	131.4	136.3	135.6	140.3	153.9	150.6	136.6	147.9	146.5	157.6	150.2	151.6
Mar.	126.1	106.7	105.5	131.0	137.0	135.6	140.5	156.1	152.6	134.2	146.7	143.8	154.2	150.7	152.1
Apr.	116.1	103.2	104.4	129.9	138.1	136.1	155.7	151.7	136.5	141.9	142.0	150.9	148.3	146.3	148.8
May	116.5	108.0	104.0	136.3	143.0	140.3	135.6	152.7	148.8	133.4	142.2	140.0	150.5	146.1	148.1
June	113.0	105.6	106.4	130.2	141.9	140.5	134.6	150.9	146.4	132.3	140.4	136.5	153.3	146.6	150.4
July	122.3	101.0	106.4	134.1	148.6	145.1	131.8	147.3	143.6	138.3	140.0	139.6	157.2	151.0	152.3
Aug.	124.7	100.1	106.5	127.9	149.0	145.9	134.4	145.3	142.8	143.1	141.5	141.6	156.5	150.2	151.7
Sept.	125.8	109.7	106.4	129.6	149.6	146.0	140.3	147.3	145.5	140.8	142.1	141.8	154.3	150.2	150.9
Oct.	125.1	101.2	107.4	132.1	146.6	145.4	141.1	146.5	145.1	144.7	143.1	143.4	150.1	151.7	151.2
Nov.	122.9	102.2	107.5	137.2	149.6	146.7	142.8	144.0	143.6	145.3	144.4	144.7	151.6	152.9	152.6
Dec.	123.3	103.6	105.6	133.1	149.6	147.0	141.7	143.3	143.2	143.9	147.4	148.2	147.8	152.0	150.9
Jan.	150.6	151.6	150.7	135.3	142.8	140.9	146.8	139.9	140.7	146.5	139.0	140.0	141.7	134.4	135.0
Feb.	147.4	150.1	148.9	133.8	142.1	139.9	146.6	139.3	139.9	147.8	138.2	139.3	137.4	133.3	133.4
Mar.	142.6	148.6	146.9	132.1	140.4	138.2	145.2	139.0	139.4	150.4	139.0	140.3	132.8	132.1	131.7
Apr.	144.2	147.7	146.4	132.3	139.3	137.4	150.9	139.7	141.0	147.1	138.7	139.4	134.4	131.6	131.4
May	143.6	146.3	146.7	135.1	136.6	137.5	154.0	140.7	142.3	143.3	137.9	136.2	130.4	130.2	129.6
June	141.5	148.6	146.3	136.3	138.7	137.4	149.6	140.3	141.2	144.9	138.5	139.0	124.7	129.7	126.7
July	138.3	147.7	145.3	136.9	138.7	137.7	142.2	140.9	142.2	140.9	139.4	140.9	116.5	126.3	123.2
Aug.	136.3	147.4	144.7	141.5	136.8	139.0	149.9	141.6	142.5	150.8	139.1	140.6	119.1	126.6	123.1
Sept.	139.3	147.7	145.5	144.5	139.7	140.6	152.6	143.0	143.9	149.5	139.1	140.3	119.6	124.7	123.2
Oct.	137.3	147.7	145.1	147.3	140.6	141.0	145.0	141.2	145.9	145.1	138.1	138.8	115.7	123.1	121.2
Nov.	132.8	147.0	143.6	146.3	140.1	140.6	142.5	140.1	139.9	141.8	136.0	136.5	111.2	120.9	114.7
Dec.	133.1	146.9	142.9	146.4	140.3	140.7	145.3	139.6	139.9	142.9	135.6	136.2	109.5	119.3	116.2
Jan.	102.5	117.5	114.2	74.1	104.1	98.2	99.7	96.1	89.1	82.3	111.1	105.4	108.8	116.9	116.0
Feb.	98.3	115.9	112.1	71.0	103.1	96.8	97.4	94.4	87.3	86.0	112.7	107.4	110.9	112.7	116.1
Mar.	99.0	110.4	110.9	70.4	102.7	96.4	96.0	94.5	87.9	86.0	112.9	107.6	109.6	117.6	115.9
Apr.	98.3	112.1	109.2	69.0	102.1	95.6	94.4	94.4	88.2	83.6	112.9	107.0	112.8	114.4	116.9
May	94.1	110.4	106.9	66.4	100.9	94.0	94.0	96.9	91.5	83.6	113.5	107.6	113.0	118.5	117.1
June	91.7	108.7	105.3	64.1	100.4	91.3	94.6	99.9	94.9	88.8	113.9	108.9	109.8	114.5	116.5
July	91.0	106.9	105.1	62.2	100.7	90.2	94.2	102.7	100.6	90.5	113.9	109.2	108.1	113.2	115.9
Aug.	89.1	109.5	105.3	64.9	101.5	95.2	96.8	106.7	101.5	97.9	115.3	111.5	111.2	114.5	117.5
Sept.	84.9	108.7	103.9	64.9	101.8	95.3	99.9	109.2	103.4	102.9	116.1	113.3	111.5	113.7	117.8
Oct.	82.5	107.6	102.6	65.8	100.9	94.0	94.1	110.2	103.9	99.0	115.0	111.7	109.7	113.9	117.5
Nov.	82.3	107.6	102.6	65.5	100.9	93.3	96.4	109.9	103.3	98.3	115.1	111.7	108.7	113.7	117.7
Dec.	78.1	105.6	100.1	61.5	98.5	91.4	97.8	109.6	103.4	101.0	115.3	112.7	105.8	120.4	118.1
Jan.	109.7	119.9	117.7	124.1	125.3	125.4	100.4	122.7	116.1	116.1	116.1	116.1	116.1	116.1	116.1
Feb.	111.5	119.6	117.7	124.2	125.3	126.0	97.9	121.7	116.5	116.5	116.5	116.5	116.5	116.5	116.5
Mar.	107.3	118.8	116.2	132.0	127.9	128.2	98.6	120.9	116.4	116.4	116.4	116.4	116.4	116.4	116.4
Apr.	107.9	118.8	116.4	129.3	128.7	128.5	95.9	119.7	114.9	114.9	114.9	114.9	114.9	114.9	114.9
May	105.5	117.3	114.7	125.9	128.4	127.6	94.7	119.0	114.0	114.0	114.0	114.0	114.0	114.0	114.0
June	109.5	117.6	115.6	124.1	126.4	127.3	96.4	119.9	114.3	114.3	114.3	114.3	114.3	114.3	114.3
July	114.0	119.0	117.5	125.2	129.6	128.3	97.3	113.7	115.0	115.0	115.0	115.0	115.0	115.0	115.0
Aug.	117.5	119.9	119.1	121.2	129.8	127.7	97.9	113.7	115.0	115.0	115.0	115.0	115.0	115.0	115.0
Sept.	117.8	119.9	119.1	120.5	129.8	127.6	97.9	113.7	115.0	115.0	115.0	115.0	115.0	115.0	115.0
Oct.	117.8	119.9	119.0	112.8	128.0	128.0	97.9	113.7	115.0	115.0	115.0	115.0	115.0	115.0	115.0
Nov.	119.4	121.0	120.3	106.2	125.6	121.6	97.9	113.7	115.0	115.0	115.0	115.0	115.0	115.0	115.0
Dec.	124.1	123.1	122.2	102.1	121.7	119.3	97.9	113.7	115.0	115.0	115.0	115.0	115.0	115.0	115.0

Bureau of Agricultural Economics
Based on Bureau of Labor Statistics index numbers.

PRICES RECEIVED AND PAID BY FARMERS, INDEX NUMBERS, 1910-38



U. S. DEPARTMENT OF AGRICULTURE

NEG. 18350

BUREAU OF AGRICULTURAL ECONOMICS

Prices received and paid by farmers, 1910 to date

Prices received by farmers for their products fluctuate with general business conditions more markedly than do the prices paid for the commodities they buy. In January 1937, for the first time since 1925, the buying power per unit of farm products (the ratio of prices received to prices paid by farmers) was above that of 1910-14.

There was a marked downward trend in prices received during the latter half of 1937 and the first half of 1938, accompanied by a relatively small decline in the prices paid by farmers for commodities. By May and June 1938 the purchasing power per unit of farm products stood at 74 percent of the pre-war average.

Prices received and paid by farmers, 1910 to date: Index numbers, 1910-14 = 100

Calendar year	Prices		Ratio
	Received ^{1/}	Paid ^{2/}	
1910.....	102	98	104
1911.....	95	101	94
1912.....	100	100	100
1913.....	101	101	100
1914.....	101	100	101
1925.....	156	157	99
1926.....	145	155	94
1927.....	139	153	91
1928.....	149	155	96
1929.....	146	153	95
1930.....	126	145	87
1931.....	87	124	70
1932.....	65	107	61
1933.....	70	109	64
1934.....	90	123	73
1935.....	108	125	86
1936.....	114	124	92
1937.....	121	130	93
1938.....			
1939.....			

Year and month	Prices		Ratio
	Received ^{1/}	Paid ^{2/}	
1937			
January.....	131	130	101
February.....	127	132	96
March.....	128	132	97
April.....	130	134	97
May.....	128	134	96
June.....	124	134	93
July.....	125	133	94
August.....	123	132	93
September...	118	130	91
October.....	112	128	88
November....	107	127	84
December....	104	126	83
1938			
January.....	102	126	81
February....	97	126	77
March.....	96	125	77
April.....	94	125	75
May.....	92	125	74
June.....	92	124	74
July.....	95	$\frac{3}{3}$ 123	$\frac{3}{3}$ 77
August.....	92	$\frac{3}{3}$ 122	$\frac{3}{3}$ 75
September...			
October.....			
November....			
December....			

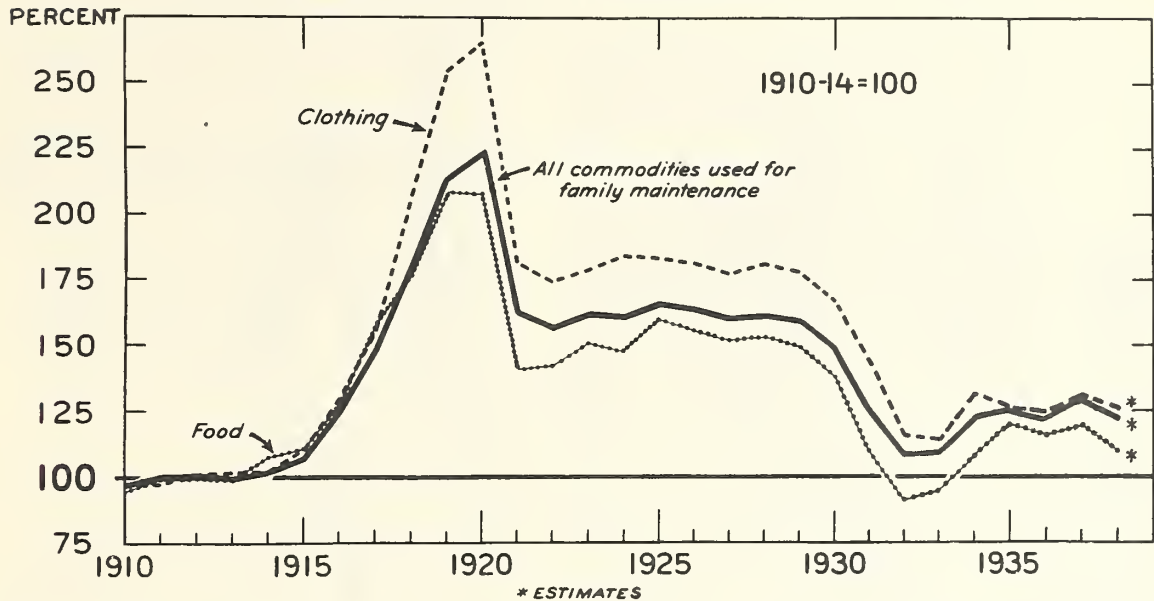
Bureau of Agricultural Economics

^{1/} Base period: August 1909-July 1914 = 100.

^{2/} These indexes are based on retail prices paid by farmers for commodities used in living and production reported quarterly for March, June, September, and December. The indexes for other months are interpolations between the successive quarterly indexes.

^{3/} Preliminary.

Prices Paid by Farmers for Food, Clothing, and Family Maintenance, 1910-38



U. S. DEPARTMENT OF AGRICULTURE

NEG. 24214 - 8 BUREAU OF AGRICULTURAL ECONOMICS

Prices paid by farmers for food, clothing, and family maintenance, 1910 to date

Of the money spent for farm family living a fourth to a third goes for food, a larger proportion than for any other item. Actual expenditures vary greatly according to income level and region of the country. Clothing usually accounts for about a sixth of the total expenditures. Together food and clothing comprise a little less than half of the money spent for family maintenance.

Prices paid by farmers for these items were higher for 1937 than for the previous year. This was caused by a considerable increase in the prices paid during the first half of the year. The commencement of a downward trend was apparent last autumn and it persisted during the first half of 1938. From June 1937 to June 1938 prices paid by farmers for food declined 11 percent, for clothing, 4 percent, and for all commodities used for family living, 5 percent.

Prices paid by farmers for food, clothing, and all commodities used for family maintenance, 1923 to date:
Index numbers, 1910-14 = 100

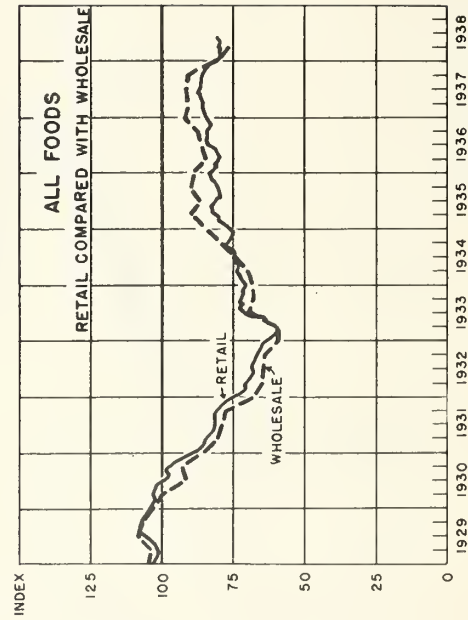
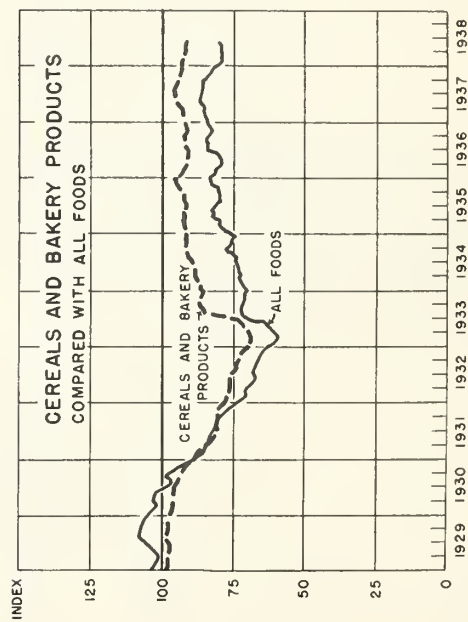
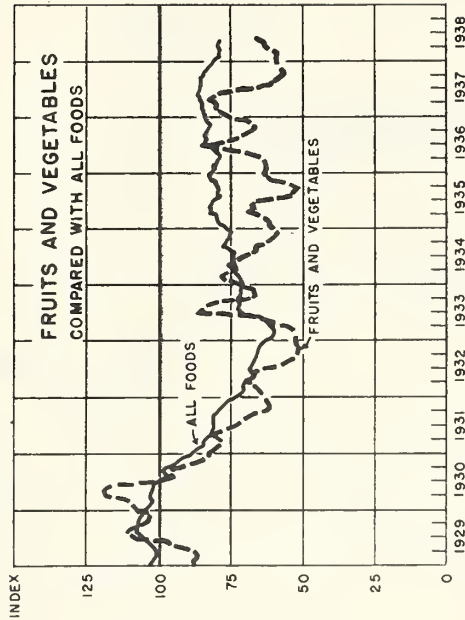
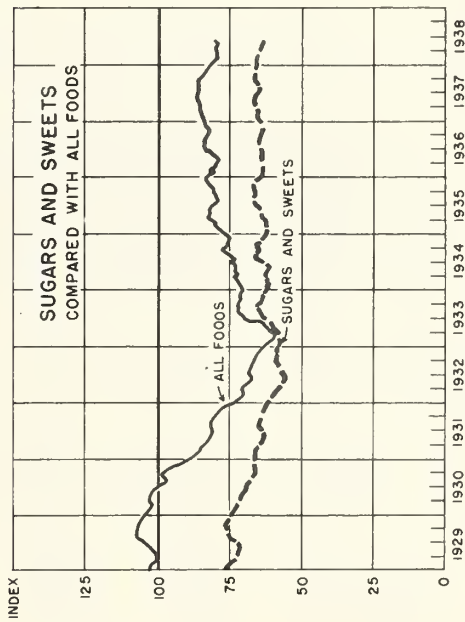
Calendar year	Food	Clothing	All commodities used for family maintenance
1923.....	150	180	160
1924.....	148	183	159
1925.....	159	182	164
1926.....	155	180	162
1927.....	152	177	159
1928.....	153	181	160
1929.....	149	177	158
1930.....	137	167	148

Calendar year	Food	Clothing	All commodities used for family maintenance
1931.....	109	142	126
1932.....	90	115	108
1933.....	95	114	109
1934.....	108	131	122
1935.....	120	126	124
1936.....	116	125	122
1937.....	120	131	128
1938.....			

Bureau of Agricultural Economics. Current data published in monthly release of United States Department of Agriculture on average prices received by farmers for farm products. Prices are collected four times a year and are weighted to give the indexes quoted above.

RETAIL COST OF FOOD: CEREALS, FRUITS AND VEGETABLES, SUGARS, AND ALL FOODS, 1929 TO DATE

INDEX NUMBERS, 1923-25=100



SOURCE OF DATA: U.S. BUREAU OF LABOR STATISTICS

U.S. DEPT. OF AGRICULTURE
BUREAU OF HOME ECONOMICS
NEG. 30

Cost of food

Food prices tend to follow the general price level during periods of major business recessions and recovery. Since food is comparatively perishable, and its production can be controlled only within broad limits, prices tend to rise and fall with consumer income.

During the last few years the Surplus Commodities Corporation has diverted price-depressing surpluses into noncompetitive channels. This, together with other administrative measures has lessened the decline in some food prices.

The downward trend of food prices in the fall of 1937 was started by a lessened demand. But during the next few months supplies of foods may in some instances influence prices more than probable

changes in the domestic demand situation. Large supplies of many foods are tending to depress prices.

Relative to price levels of 1923-25, retail prices of all major food groups, except cereals and bakery products, and meats have been low most of the time since 1931: with prices of sugar, fruits, and vegetables especially low in 1938.

Trends in wholesale prices of food serve as a means of anticipating trends in retail prices, but the lag between wholesale and retail is less in the case of food than in the case of many less perishable commodities. As a rule small fluctuations in wholesale prices are not reflected in retail prices. A consistent downward or upward trend will finally be reflected as will a sudden marked change.

Retail cost of food: Cereals, fruits and vegetables, sugars, and all foods, 1929 to date
Index numbers, 1923-25 = 100

Date	Retail 1/				Whole-sale 2/
	Cereals and bakery products	Fruits and vegetables	Sugar and sweets	All foods	All foods
1929					
January.....	98.4	88.2	76.7	102.7	104.4
April.....	98.2	87.3	72.8	100.8	103.3
July.....	97.9	107.2	72.6	106.5	108.7
October.....	98.4	105.5	76.5	107.6	107.0
1930					
January.....	97.3	107.5	74.8	104.6	102.7
April.....	96.7	118.1	71.9	103.3	100.0
July.....	95.6	100.4	69.3	97.5	91.2
October.....	93.1	95.3	66.4	97.8	93.7
1931					
January.....	88.6	83.0	67.1	89.2	85.3
April.....	84.7	79.1	64.5	83.9	80.7
July.....	82.6	73.2	63.7	80.7	78.2
October.....	80.5	63.5	64.3	79.9	77.5
1932					
January.....	78.1	63.2	61.7	72.8	68.4
April.....	76.4	70.5	58.1	70.3	64.5
July.....	75.6	62.4	56.5	68.3	64.4
October.....	73.9	51.3	58.9	66.3	64.0
1933					
January.....	69.5	52.3	58.3	62.6	59.0
April.....	69.8	54.4	58.1	60.1	59.3
July.....	77.8	87.3	62.8	71.0	69.2
October.....	87.2	70.2	65.5	71.6	67.9
1934					
January.....	87.1	74.4	62.4	70.6	68.0
April.....	88.3	75.2	62.6	72.2	70.0
July.....	90.3	68.3	65.6	73.7	74.6
October.....	92.1	62.1	65.8	76.0	79.1

Date	Retail 1/				Whole-sale 2/
	Cereals and bakery products	Fruits and vegetables	Sugars and sweets	All foods	All foods
1935					
January.....	92.0	60.3	62.6	77.7	84.5
April.....	92.5	66.6	62.9	81.4	89.3
July.....	92.2	62.6	66.2	80.2	86.8
October.....	93.4	51.7	66.7	79.9	89.9
1936					
January.....	94.0	62.7	64.9	81.7	88.3
April.....	91.2	66.5	63.8	79.7	84.8
July.....	90.7	80.7	64.9	84.0	86.0
October.....	92.3	67.1	64.8	82.8	87.3
1937					
January.....	92.4	74.4	64.8	84.6	92.1
February.....	92.6	78.2	65.6	84.5	92.0
March.....	92.9	80.5	65.6	85.4	92.5
April.....	93.8	80.0	66.0	85.6	90.4
May.....	95.2	83.1	66.1	86.5	89.0
June.....	95.6	79.2	65.7	86.3	89.5
July.....	95.7	69.0	65.1	85.9	91.1
August.....	95.6	61.0	64.8	85.5	91.6
September.....	95.1	59.2	66.5	85.8	93.0
October.....	94.7	56.5	67.4	84.9	90.4
November.....	94.0	56.2	67.1	83.6	87.8
December.....	93.6	58.4	66.8	82.6	84.4
1938					
January.....	93.2	58.8	66.2	80.3	80.7
February.....	93.2	58.8	65.9	78.4	77.7
March.....	92.9	58.5	65.6	78.6	77.7
April.....	92.5	62.4	64.9	79.4	76.4
May.....	92.2	62.5	64.3	79.1	76.2
June.....	91.8	66.0	63.8	80.2	77.3
July.....	91.4	61.7	63.3	80.0	78.6
August.....					
September.....					
October.....					
November.....					
December.....					

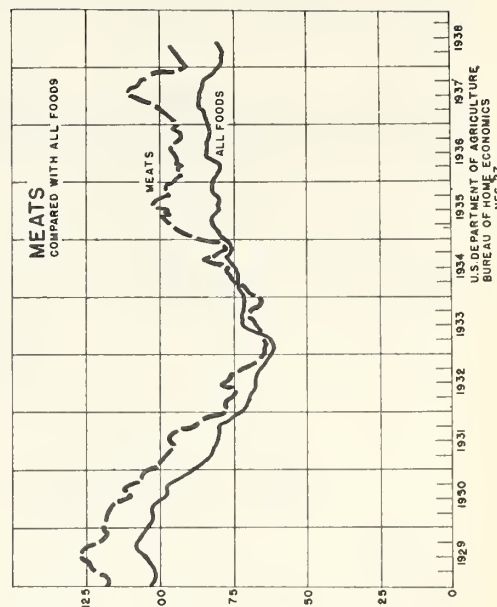
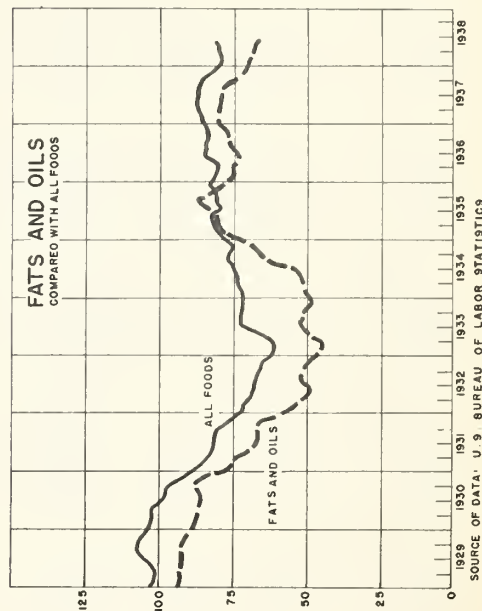
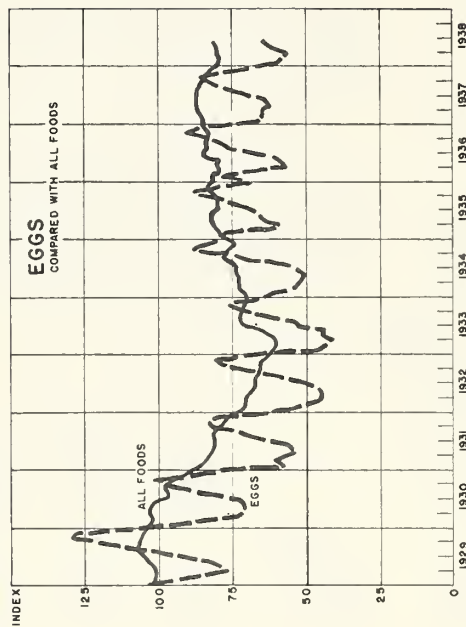
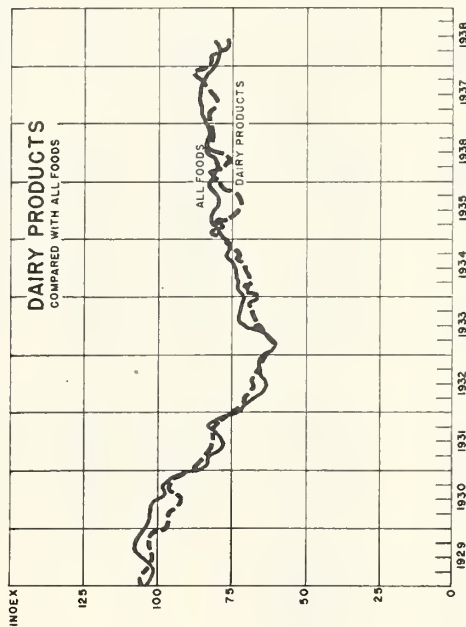
Source: Bureau of Labor Statistics.

Comments: Bureau of Agricultural Economics.

1/ Prices as of the 15th of each month or as of the reporting date nearest the 15th. The prices are weighted to derive the cost indexes given above.

2/ Average price for month indicated.

RETAIL COST OF FOOD: DAIRY PRODUCTS, EGGS, FATS AND OILS, MEATS, AND ALL FOODS, 1929 TO DATE INDEX NUMBERS, 1923-25 = 100



SOURCE OF DATA: U. S. BUREAU OF LABOR STATISTICS

U. S. DEPARTMENT OF AGRICULTURE
BUREAU OF HOME ECONOMICS
WESLEY

Cost of food (continued)

Out of every food dollar the city wage earner's family spends about 36 cents for meat and eggs; about 20 cents for bakery products and cereals; about 18 cents for dairy products (including butter); 15 cents for fruits and vegetables; 4 cents for fats (other than butter) and oils; a little more than 3 cents for sugars, and about 4 cents for miscellaneous items, including coffee, tea, chocolate, and seasonings. Obviously, a change in meat prices affects the index of cost of food to such families much more than a proportional change in prices of vegetables or fats.

How a farm family divides its money for food depends upon its home-production program. If the farm furnishes so much food for family use that less than a quarter of the food need be purchased, the division of each food dollar is often something like this:

	Cents		Cents
Bread, flour,			
cereals.....	33	Meats, eggs.....	9
Sugars.....	18	Fruits,	
Fats (incl. butter) 15		vegetables....	9
Coffee, tea,		Milk, cheese....	3
seasonings.....	13		100

If on the other hand, the production for home use is less extensive and from 25 to 50 percent of the food supply must be purchased, more dollars are spent for food, and each may be divided something like this:

	Cents		Cents
Bread, flour,			
cereals.....	27	Sugars.....	13
Vegetables,		Coffee, tea,	
fruits.....	18	seasonings.....	10
Meats, eggs.....	15	Milk, cheese.....	2
Fats (incl. butter) 15			100

If practically all of the food of the farm family must be purchased, its food spending pattern is much like that of the city wage earner. In most cases much food is farm furnished and retail costs of all foods to farm families are much more influenced by price changes in grain products, sugars, fats, and miscellaneous items than those of city families. On the other hand, they are less influenced by price changes of meat and milk.

Retail cost of food^{1/}: Dairy products, eggs, fats and oils, meats, and all foods, 1929 to date
Index numbers, 1923-25 = 100

Date	Dairy products	Eggs	Fats and oils	Meats	All foods
1929					
January.....	105.1	105.0	94.1	117.6	102.7
April.....	102.9	76.4	93.7	120.7	100.8
July.....	101.6	91.3	93.3	125.9	106.5
October.....	103.5	120.3	92.6	121.6	107.6
1930					
January.....	96.8	112.2	89.1	118.6	104.6
April.....	96.8	71.8	87.7	117.7	103.3
July.....	92.6	73.4	86.2	112.5	97.5
October.....	96.5	95.1	88.5	111.1	97.8
1931					
January.....	85.9	75.1	81.2	104.9	89.2
April.....	81.8	58.1	74.1	99.4	83.9
July.....	77.9	60.9	67.5	96.7	80.7
October.....	83.1	81.6	66.9	93.0	79.9
1932					
January.....	73.1	62.1	60.1	81.1	72.8
April.....	67.1	44.3	52.7	78.3	70.3
July.....	63.8	49.3	49.9	79.3	68.3
October.....	65.4	73.2	50.5	73.1	66.3
1933					
January.....	63.4	66.9	46.9	64.8	62.6
April.....	60.4	40.7	44.7	63.4	60.1
July.....	67.4	51.5	51.4	66.0	71.0
October.....	69.0	68.8	50.8	69.0	71.6
1934					
January.....	66.9	61.4	48.7	65.9	70.6
April.....	68.4	51.5	51.0	71.4	72.2
July.....	71.1	55.8	52.8	77.2	73.7
October.....	73.2	74.0	64.3	81.5	76.0

Date	Dairy products	Eggs	Fats and oils	Meats	All foods
1935					
January.....	77.5	76.3	73.1	84.7	77.7
April.....	80.4	60.8	80.8	95.2	81.4
July.....	72.7	68.8	82.2	98.1	80.2
October.....	73.5	83.8	87.2	101.3	79.9
1936					
January.....	79.8	73.8	79.3	97.3	81.7
April.....	77.8	57.4	75.2	94.1	79.7
July.....	79.6	67.8	73.0	94.9	84.0
October.....	82.5	83.7	76.3	94.7	82.8
1937					
January.....	83.4	76.3	79.6	95.7	84.6
February....	83.0	65.0	80.1	94.3	84.5
March.....	83.6	64.3	80.3	95.4	85.4
April.....	81.6	64.7	80.2	97.7	85.6
May.....	80.1	61.8	78.9	99.7	86.5
June.....	79.7	62.5	79.5	102.3	86.3
July.....	80.9	68.0	79.5	107.8	85.9
August.....	81.9	71.9	79.9	111.6	85.5
September...	83.9	79.0	78.4	111.4	85.8
October.....	85.1	81.6	77.5	108.8	84.9
November....	86.6	84.9	74.8	102.8	83.6
December....	88.2	76.7	72.0	98.0	82.6
1938					
January.....	83.9	70.1	70.2	93.8	80.3
February....	81.9	59.4	69.5	90.6	78.4
March.....	81.4	57.4	69.5	92.9	78.6
April.....	79.8	56.9	68.6	94.8	79.4
May.....	77.2	60.5	68.0	95.2	79.1
June.....	76.0	63.4	67.4	96.9	80.2
July.....	76.2	68.0	67.7	99.3	80.0
August.....					
September...					
October.....					
November....					
December....					

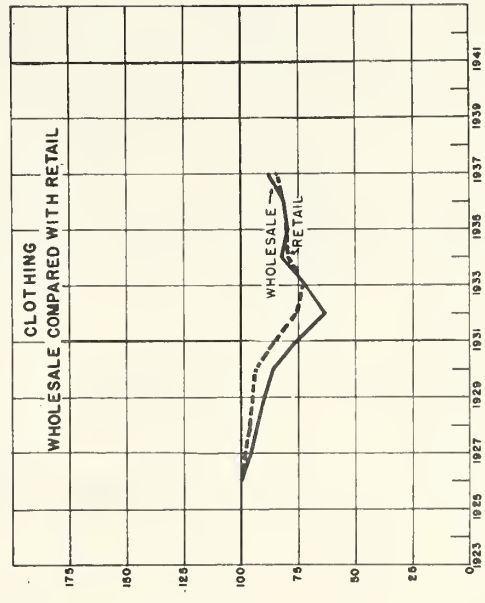
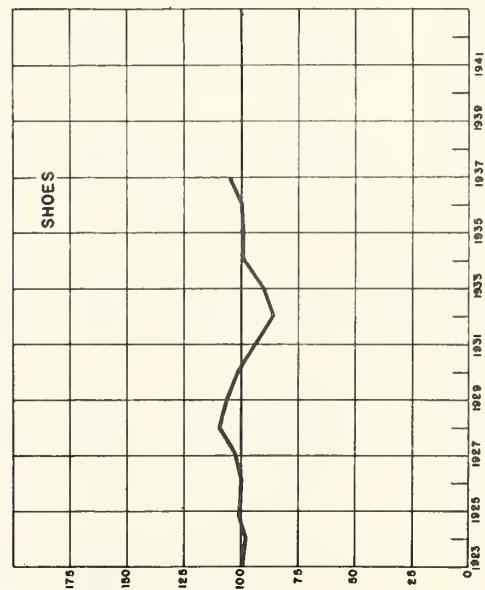
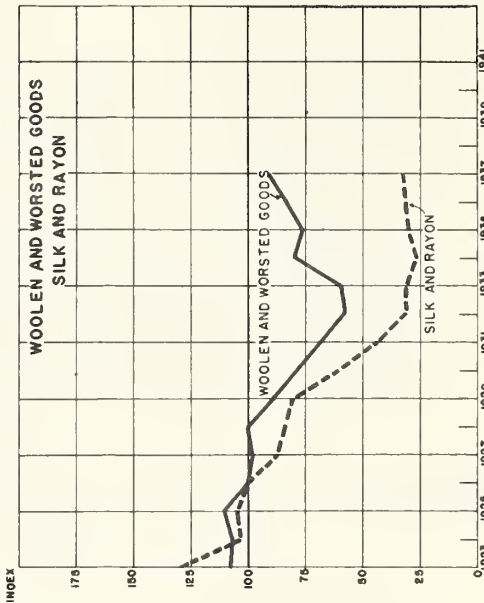
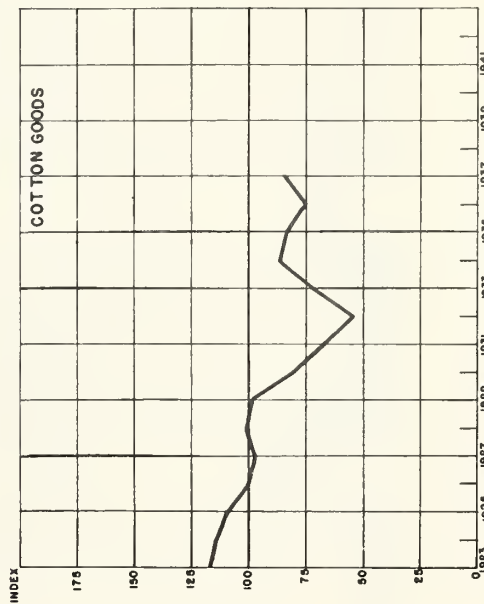
Source: Bureau of Labor Statistics

Comments: Bureau of Agricultural Economics

^{1/} Prices as of the 15th of each month or as of the reporting date nearest the 15th. The prices are weighted to derive the cost indexes given above.

WHOLESALE COSTS OF TEXTILES AND CLOTHING, 1923 TO DATE

INDEX NUMBERS, 1926 = 100



SOURCE OF DATA: U.S. BUREAU OF LABOR STATISTICS

U.S. DEPARTMENT OF AGRICULTURE
BUREAU OF HOME ECONOMICS
NEG. 26

Wholesale costs of textiles and clothing, 1923 to date. Index numbers, 1926 = 100

Prices of commodities which have been put through several stages of processing tend to fluctuate less than those of commodities nearer to the raw material stage. From 1928 to 1932 the wholesale prices of cotton and woolen goods declined more than those of shoes and clothing, and during the following period of rising prices, 1932 to 1937, textiles increased in price more than shoes and clothing.

Wholesale prices of cotton goods dropped by one-third from the high of April 1937 to June 1938. Prices of woolen and worsted goods declined 20 percent from July 1937 to June 1938. However, wholesale prices of shoes declined only

5 percent from the peak of October 1937 until June 1938, and clothing, 9 percent from July 1937 to June 1938.

With improved methods of manufacture and lowered prices, there has been a striking increase in the per capita consumption of rayon. This trend and a decrease in demand for silk have tended to lower silk prices. Changes in wholesale prices of clothing tend to precede and be more marked than changes in retail prices. The decline in the index of wholesale clothing prices that started last summer was not reflected in the index of retail prices until late winter.

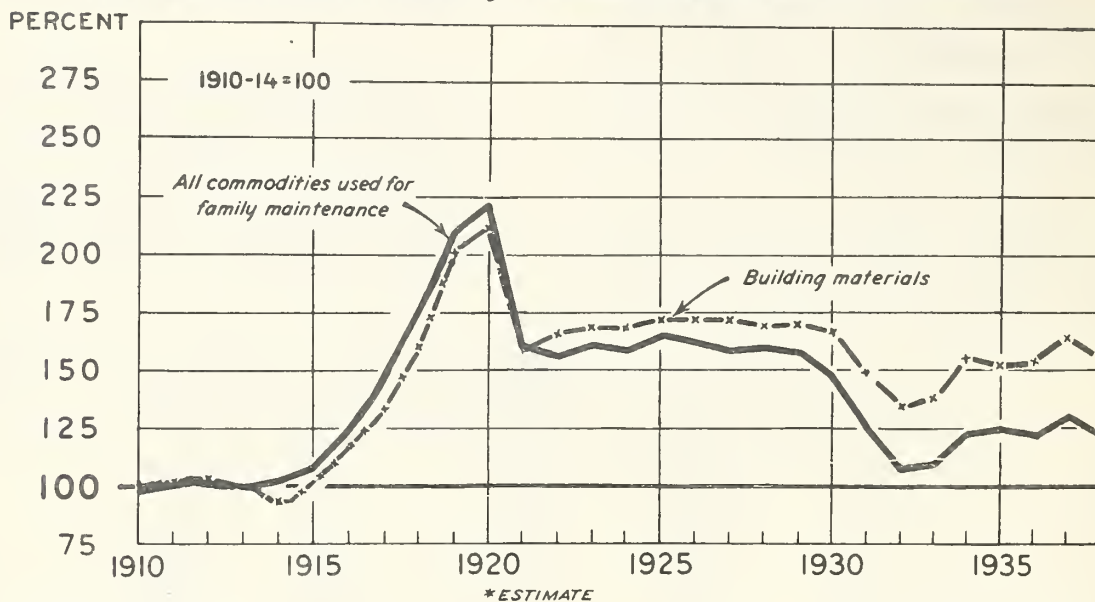
Year	Wholesale					Retail
	Cotton goods	Silk and rayon ^{1/}	Woolen and worsted goods	Shoes ^{2/}	Clothing	Clothing
1923.....	116.9	129.5	107.5	99.1	-	-
1924.....	114.7	103.1	106.8	98.4	-	-
1925.....	110.0	104.5	110.2	100.5	-	-
1926.....	100.0	100.0	100.0	100.0	100.0	100.0
1927.....	97.1	87.1	97.8	102.6	95.8	98.0
1928.....	100.4	83.7	100.1	109.9	93.2	96.6
1929.....	98.8	80.4	88.3	106.3	90.0	95.6
1930.....	84.7	60.2	79.0	102.0	86.2	93.5
1931.....	66.1	43.5	68.2	93.7	75.9	85.3
1932.....	54.0	31.0	57.7	86.1	63.0	75.5
1933.....	71.2	30.6	69.3	90.2	72.2	73.1
1934.....	86.5	26.7	79.7	98.1	82.5	79.9
1935.....	83.4	30.2	76.1	98.0	79.8	80.3
1936.....	80.3	31.2	82.9	99.8	81.1	81.1
1937.....	84.3	32.5	91.1	105.0	87.9	84.9
1938.....						
1937						
January.....	91.9	34.5	91.9	99.7	83.9	-
February.....	91.3	33.7	93.1	101.4	84.2	-
March.....	94.0	33.6	92.6	102.3	84.8	83.4
April.....	95.1	33.8	93.5	103.8	86.8	-
May.....	92.6	32.5	93.3	106.1	87.2	-
June.....	89.7	32.5	93.2	107.5	89.1	84.6
July.....	86.8	33.9	94.4	107.4	90.1	-
August.....	82.2	32.9	93.9	107.4	90.0	-
September.....	76.8	32.4	92.4	107.5	89.7	86.6
October.....	73.1	30.6	90.1	107.6	89.4	-
November.....	70.5	30.1	85.1	106.9	87.3	-
December.....	68.7	29.4	83.5	105.6	86.7	86.6
1938						
January.....	68.2	28.9	83.8	104.7	86.3	-
February.....	67.6	28.5	81.0	104.6	85.8	-
March.....	67.5	28.8	80.2	104.6	84.6	85.4
April.....	65.7	28.9	77.1	104.5	84.6	-
May.....	65.0	28.4	76.0	102.5	82.2	-
June.....	63.9	27.6	75.6	101.8	82.2	84.8
July.....	65.1	29.9	75.9	101.2	81.7	-
August.....	64.4	29.2	76.3	100.8	81.7	-
September.....						
October.....						
November.....						
December.....						

Source of price data: Bureau of Labor Statistics
Comments: Bureau of Agricultural Economics

^{1/} Rayon added in January 1926

^{2/} Boots included prior to January 1936

Prices Paid by Farmers for Building Materials for House, and Family Maintenance, 1910 to Date

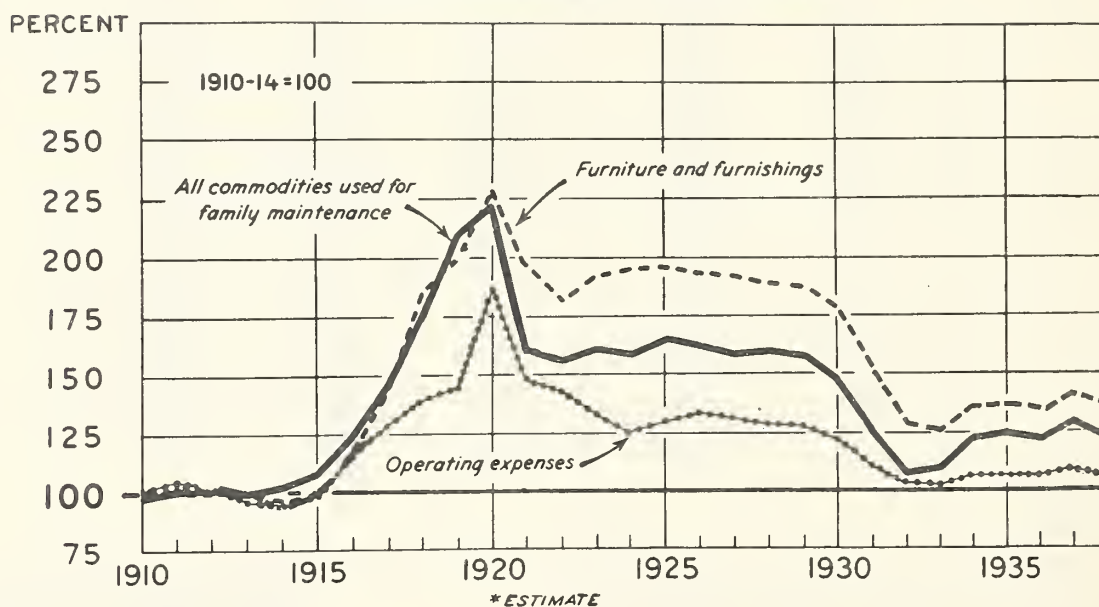


U. S. DEPARTMENT OF AGRICULTURE

NEG. 34601

BUREAU OF AGRICULTURAL ECONOMICS

Prices Paid by Farmers for Operating Expenses, Furniture and Furnishings, and Family Maintenance, 1910 to Date



U. S. DEPARTMENT OF AGRICULTURE

NEG. 34602

BUREAU OF AGRICULTURAL ECONOMICS

Prices paid by farmers for operating expenses, furniture and furnishings, building materials for the house, and family maintenance, 1910 to date.
Index numbers, 1910-14 = 100

Prices of commodities included in the index for operating expenses showed a small advance in 1937, and a slight downward trend in the first half of 1938. The term "operating expenses" as here used includes not only such items as fuel, laundry and cleaning supplies, but also gasoline, oil, and tires for family use of the automobile. Half of the purchase price of the car is taken into account in deriving the index for all commodities used for family maintenance, but it does not appear in any of the separate groups of commodities.

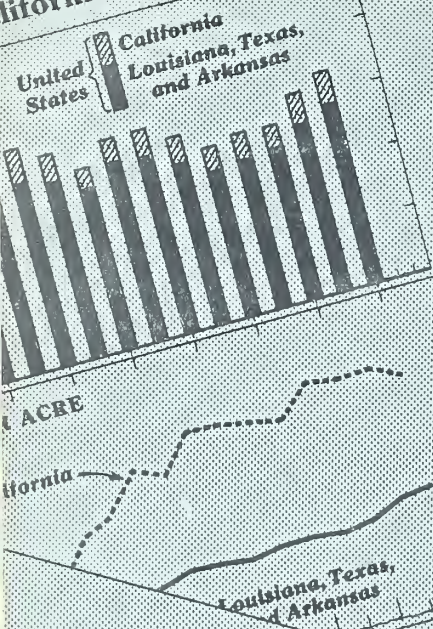
Prices of furniture, furnishings, and building materials were higher in 1937 than 1936. By June 1938, along with most other items, these prices were lower than for the corresponding period of 1937 or for that year as a whole. These items comprise a relatively small proportion of the farm family budget.

Prices paid by farmers for operating expenses, furniture and furnishings, building materials for the house, and family maintenance, 1923 to date.
Index numbers, 1910-14 = 100

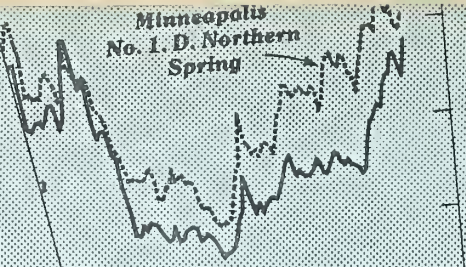
Year	Operating expenses	Furniture and furnishings	Building materials for house	All commodities used for family maintenance
1923	132	192	168	160
1924	125	196	168	159
1925	129	197	172	164
1926	133	193	172	162
1927	131	192	172	159
1928	128	189	169	160
1929	127	188	170	158
1930	122	179	166	148
1931	110	153	149	126
1932	103	128	134	108
1933	102	126	138	109
1934	106	136	155	122
1935	106	136	152	124
1936	106	134	154	122
1937	109	142	164	128
1938				

Bureau of Agricultural Economics

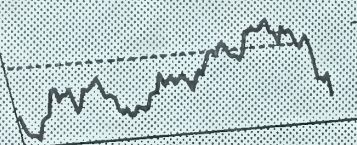
Per Acre, Production, California, 1919 to Date



Minneapolis No. 1. D. Northern Spring



AND TARIFF LEVEL

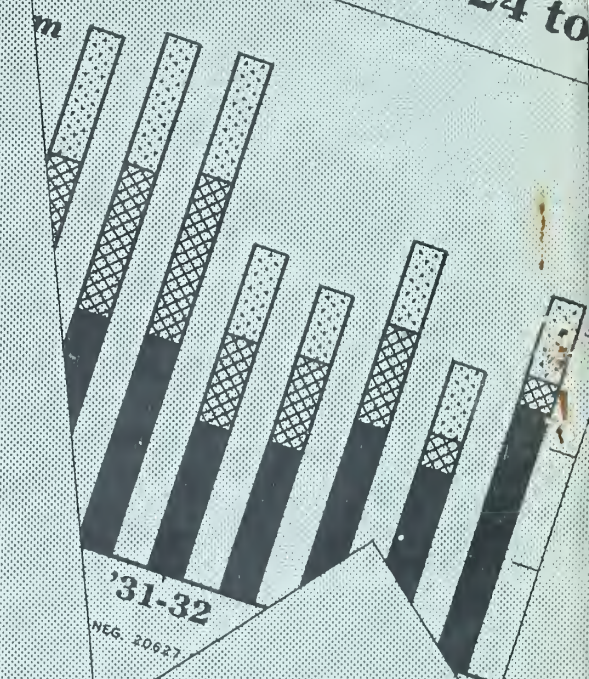


Minneapolis over Winnipeg

IMPORTS FOR DUTY PAID



Price 1910
red Tobacco, 1923-24 to



World Supply and Price, 1922-23 to Date*



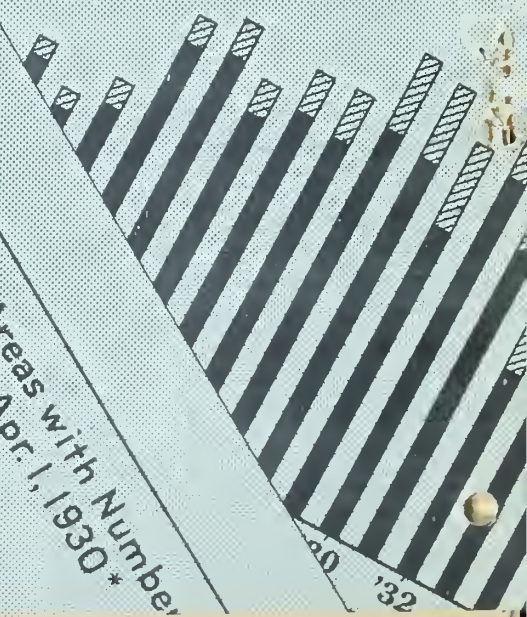
Wheat, 1916 to Date

U.S. Cold-Storage Stocks 1916 to Date

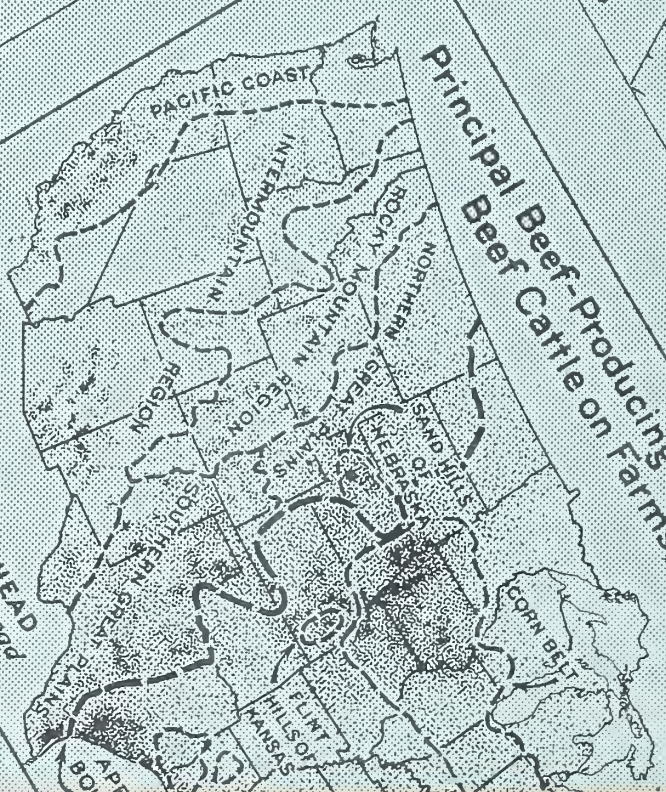
CASES (MILLIONS)

14

Frozen eggs Eggs in shell



Principal Beef-Producing Areas on Farms, Apr. 1, 1930*



U.S. TOTAL 19,985,000 HEAD
Each dot represents 2,500 head